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Senate

The Senate met at 8:55 a.m. and was called to order by the Honorable SHERROD BROWN, a Senator from the State of Ohio.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Infinite and merciful God, we magnify and exalt Your Name, for You are great and worthy of our praise. Your splendor, glory, and majesty inspire us. You bless us beyond imagination. Nothing is too challenging for You.

Today, rule in the lives of our lawmakers. Empower them by Your powerful presence and instruct them by Your mighty words. Sustain their health as they seek to solve the problems of our time. Rescue and protect them from seen and unseen dangers. God, who is like You—majestic in holiness, awesome in power, working wonders and miracles before us each day?

We glorify Your Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SHERROD BROWN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

Washington, DC, September 7, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHERROD BROWN, a

Senator from the State of Ohio, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BROWN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, the good news is that we have accomplished a great deal this week. We have had a number of late nights, but we have completed what we needed to do, and today we are going to complete a very important piece of legislation that will certainly make it unnecessary that we be in late today and certainly not tomorrow.

As I indicated to everyone, we are going to have some votes before noon on Monday. But today, everyone should understand that at 10:15 a.m., we will have a vote. There will be no extending that time. Senator KENNEDY and Senator ENZI have expressed the desire that if people want to speak about this legislation—the vote will take 15 to 20 minutes—Members will have ample opportunity to speak as long as they want to speak on this very important measure.

I look forward to the debate being completed, the vote being completed at 10:15 a.m., and I congratulate both Democrats and Republicans for the work we have been able to accomplish this week.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

COLLEGE COST REDUCTION AND ACCESS ACT—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the conference report to accompany H.R. 2669, which the clerk will report.

The legislative clerk read as follows:

Conference report to accompany H.R. 2669, an act to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008.

The ACTING PRESIDENT pro tempore. Under the previous order, there is 75 minutes of debate remaining on the conference report, with the time equally divided between the chairman and the ranking member.

Who yields time?

Mr. ENZI. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the time under the quorum be equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, as I understand from the previous agreement, we have approximately an hour, probably an hour and 12 minutes, that will be equally divided prior to the time of a vote on what has been labeled the College Cost Reduction and Access Act; am I correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

Mr. President, first of all, I want to express appreciation to my friend and

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



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colleague from Wyoming, Senator ENZI, and to thank all of the members of our committee for the work they have done on this legislation. This truly is a bipartisan piece of legislation that is focused on improving opportunity and improving quality of life for millions of Americans in our education system.

We worked very closely together when Senator ENZI was chair, and we have worked very closely together since I have had the opportunity to chair the committee. And now we have this legislation which is going to make an enormous difference for so many. I will discuss it in detail after the vote and explain it in greater detail in the record for both our colleagues and others who are interested in this legislation and what we have accomplished. But at the outset, I think all of us on this side of the aisle know that without strong cooperation and assistance from Senator ENZI and both sides of the aisle, we wouldn't be where we are today with this legislation, and we would not have successfully passed the reauthorization legislation in the Senate that has a number of very important items in it. I will describe those later on in the day as well.

We are also very grateful to the staffs of our committee, who have done a really extraordinary job during this period of time.

Mr. President, education is the engine of hope and opportunity for people of this country, and it has been recognized as such from the earliest days of the Republic. In my State of Massachusetts, our State constitution, written by John Adams in 1780, spells out in great detail the responsibilities of our State, of our commonwealth, to try to make a commitment to educational opportunities for the people of our State. And it has been replicated, that language or something similar has been replicated in all of the State constitutions.

Education is really the key. We have seen the progress and the changes that have taken place over the period of years, and we will have a chance to review that history a little later in the morning. But I am mindful today that establishing a benchmark is important in recognizing that this assistance to students and to families is the greatest assistance that will have been provided for the American family since the GI bill, the GI bill that was so successful at the end of World War II.

It has been estimated that for every dollar that was invested in the GI bill, \$7 was returned in taxes to the General Treasury. Historians will point out that it helped establish the middle class, the middle class which has been the strength of our Nation over the last 60 or 70 years. There is no question about it. We built the middle class on the pillars of education, on the pillars of educational opportunity.

In this legislation, we invest \$20 billion—\$20 billion—and not a nickel of it comes as an additional burden on tax-

payers. It comes from the lenders. They will be able to continue to provide opportunities for students through their lending agencies, and this \$20 billion will provide direct assistance to the neediest children in this country. It will provide help and relief for families that have real debt in terms of interest rates.

Most interestingly, Mr. President, is the fact that it will encourage young people in this country to involve themselves in public service and public life through their communities. None of us can visit schools and colleges across the country and not be overwhelmingly impressed by the desire of young people to make a difference in helping to solve the problems and the challenges we are facing today.

We can look as recently as this week at the cover of Time magazine outlining this tremendous surge of young people wanting to participate in solving problems in their communities in a variety of different ways.

We have understood that, Mr. President, and we are saying to those young people: Yes, we know the cost of education has gone up. Yes, we know we have not kept pace in providing assistance to you to keep up with the cost of education. Yes, we understand your parents have been working hard, and still the middle class has been holding on by its teeth in terms of battling the problems of inflation and no wage increases. Yes, it has been more challenging for middle-class families to go on to college. And, yes, if they go on to school they will end up with a great deal of debt, which means they will not be able to go into the kinds of fields of service, service to the community, that they might like to. But that is going to change, and change dramatically, with this legislation.

There are many different provisions in the legislation, and we will come to grips with those as the morning goes on, but this is saying to the young people: If you finish up in school and college and you have debt and you want to become a schoolteacher, you want to work in the criminal justice system, you want to work with special needs children, you want to work for a non-profit, you will never pay more than 15 percent of your income in repayment of your debt. And after a period of years, a 10-year period of time, your debt will be forgiven in full—completely.

This is an incentive for young people to be able to go into public service and serve their community. I think it is enormously important and responsive to the time. I will have a chance later to go through this legislation in greater detail, but this is a matter of enormous importance. It is a matter of enormous consequence. It reflects the best judgment of those on this Education Committee who have worked long and hard on this legislation.

We are grateful for the fact the President has indicated that he is going to support this legislation. At a time of great divisiveness on so many things,

we have taken an issue of fundamental importance to families in this country and we are saying: Help is on its way. That is effectively what this legislation will do. We will spend a good deal of the morning going over the details of it and how those general concepts I have outlined this morning will be implemented in the form of the legislation.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The senior Senator from Wyoming.

Mr. ENZI. Mr. President, I yield myself whatever time I take, and I do rise to speak in support of the conference report under consideration today.

I thank the Senator from Massachusetts and his staff for their participation and the way they kept us informed during the conference. I have to say "kept informed" because we were not at the conference, except for the one kind of superficial meeting we had where we got to make speeches, but they did a good job of keeping us informed. This seems to be the way that reconciliation happens. I know when the Republicans were in the majority that is the way it happened, so I am not surprised that when the Democrats are in the majority that is the way it happened. But it was very helpful to be kept informed on what was happening.

There are quite a few things that the reconciliation bill does, but I have to mention that without the reauthorization package it is very incomplete. We are urging the House to hurry and do the reauthorization part so that we truly have a higher education package. Without that, there are a lot of things that are left out, and I will go into that a little bit this morning in more detail following the vote.

This isn't the first time we have reduced the subsidies to lenders and provided greater benefits to students. Two years ago, in the conference that I was referring to, we produced a report that found billions in savings by further reducing subsidies to lenders and applied those savings to increased grants for low-income students, expanded loan forgiveness, and reduced interest rates on undergraduate subsidized loans.

We all agree if there is an excess subsidy in the student loan program, it should be eliminated. The key question is how much excess there is and how to eliminate it. There are no clear-cut answers to these questions. One approach included in this conference report is the reduction of the special allowance payments to the lenders.

I am pleased that we retained the provisions that recognize the unique role that our not-for-profit lenders have in providing information and services to students and their families. Not-for-profit lenders focus on communities and they serve students locally. For this reason, we maintained the 15-basis-point differential cut in the special allowance payments between for-profit and not-for-profit lenders. The

cut in the special allowance payments to for-profit lenders is 55 basis points, and for not-for-profit lenders it is 40 basis points.

Now, we took a first step in this conference report toward refining the way those levels are determined by including an auction pilot that lets the marketplace determine the appropriate level for the Parent PLUS Program, which is about 10 percent of the loans.

This conference report provides additional need-based grant aid which is a critical component of increasing access to and the affordability of college. Over 55 percent of the savings are dedicated to increasing the Pell grant award. In the next 5 years, low-income undergraduate students will see the maximum Pell grant award increased by more than \$1,000. Additionally, we increase the income protection allowance so that students are not penalized for working and saving for college, and we raise the income threshold for automatic eligibility for a maximum Pell grant.

I am also pleased we were able to retain the guarantee rate on student loans at 97 percent for all lenders through fiscal year 2012. In this way we avoid the disruption in the student loan market and ensure that students have access to Federal student loans. However, I wonder if we may be going too far in cutting the support for the largest Federal financial aid program, the Federal Family Education Loan Program. The challenge we face is that we will not know until it is too late whether cuts we have made have undermined the stability of the program and created hardships for the students it serves.

Despite the emphasis on increased grant aid, the claim of increased savings for borrowers has a hollow ring. Reducing student loan interest rates is a good sound bite. It doesn't do anything to help students pay tuition bills.

Further, in reality, cutting the interest rate in half, to 3.4 percent, will help only a small group of borrowers for the loans they take out for 1 year of their education, 4 years from now. Then the benefit disappears. That is going to be a surprise to a lot of people, and it has already happened once. We were chastised when we were doing the last reconciliation for a raise in the interest rates. That is because the interest rate that had been lowered expired and there was not the money to do the further cut. This may well happen again.

A quick calculation of the real benefit borrowers will receive shows that at a cost of \$6 billion to taxpayers, individuals, will see a savings of only \$6 a month. That may be one latte; it may be two lattes. It is kind of hard to tell in today's market in coffee. I am astounded. I remember the days when it was a nickel a cup. I would much rather see the \$6 billion go to help real low-income students through a Pell grant increase than just for a hollow sound bite.

Finally, as an accountant and member of the Budget Committee, I would

be remiss if I didn't point out that we are debating a conference report on reconciliation, and that is a process designed to reduce the Federal deficit, not to create new mandatory programs and increase entitlement spending. I am disappointed to say that the net savings for deficit reduction in this conference report is only \$750 million.

I wish to remind my colleagues that a few weeks ago, we considered reconciliation and higher education reauthorization together. The Senate did it right. We voted on reconciliation one day, and the next voting day we had, we covered reauthorization. Both bills passed with strong bipartisan support because we not only achieved savings but we ensured the quality and effectiveness of our Federal student aid programs. Therefore, my support for this conference report is limited by the fact that we are not also considering the larger higher education reauthorization package.

We have used this chart before when we were debating the reauthorization. This chart shows the pieces that are left out when we do not do the reauthorization. I urge the House to finish up this part of the package so that it can accompany the reconciliation package. It is not complete without both.

I do have some comments by House Ranking Member McKEON, which is an excerpt from the conference committee when it was held. I ask unanimous consent to have it printed in the RECORD.

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

HOUSE RANKING MEMBER McKEON EXCERPT
COMMENTS FROM THE ONE CONFERENCE COMMITTEE HELD

Nearly 6 months ago, the Budget Committee offered a budget resolution that called for a lone, \$75 million budget reconciliation instruction to the Education and Labor Committee. Eventually that figure climbed to \$750 million in required savings over 5 years—a modest improvement, but still a mere fraction of the savings generally achieved through budget reconciliation.

It was as clear 6 months ago as it is today that the reason for that instruction was not to reduce the federal deficit. It was to push through a series of changes to our Nation's college financial aid system—changes that may or may not have been able to garner the necessary votes outside the confines of a budget bill.

Many of these changes are needed. Republicans took the lead on making the student loan program more efficient two years ago, producing a full \$12 billion in deficit reduction while increasing benefits to students. I appreciate the efforts this year to build on that success by demanding additional program efficiencies and redirecting those resources into the Pell Grant program. A straightforward reform effort focused solely on these two goals would surely have garnered broad bipartisan support.

While I believe the intentions of the bill's sponsors are good, I have found the process and the product to be disappointing. When the FY 2008 budget resolution was being debated, the Chairman of the Senate Budget Committee cautioned that the budget reconciliation process was in danger of being abused as a "stalking horse" for new entitle-

ment spending. Yet despite his warnings, that is exactly what happened in the bill.

That bill represented one of the largest expansions of higher education entitlement spending in history, with the creation of nine new entitlement programs. I understand the majority is considering paring back the new entitlement spending and creating fewer new programs. While this is a modest improvement, it still represents a diversion of approximately \$1 billion that could have, and dare I say should have, gone to low-income students in the form of Pell Grants.

The legislation that passed the House also included a temporary phase-down of the interest rates on subsidized Stafford loans. The Senate-approved bill did not include such a proposal, instead focusing its resources on the Pell Grant program. The conference report includes some form of the House interest rate proposal. This, despite the fact that temporarily reducing interest rates on some loans for some college graduates is a costly diversion from Pell Grants, and does nothing to assist students enrolled in school and struggling with rising costs. Any proposal to slowly phase-down the interest rate only to have the rate immediately jump back up is nothing more than false promises to borrowers and taxpayers.

First, under this proposal, it will be impossible for a borrower to save the highly-touted \$4,400. In order to save that amount, a borrower would have to take out loans all 4 years at the reduced rate of 3.4%—an impossibility. Second, this proposal is also a false promise to taxpayers and a budget gimmick. If Congress decides to maintain the 3.4% interest rate, the taxpayer will be on the hook for a potential long-term cost of \$32 billion. Finally, this proposal does nothing to help students pay for their education when the tuition bill is due. While I understand that this idea may test well in polls and may well make for good politics, it's bad policy. And everyone here knows it.

I understand the conference report is to include cuts to the Federal Family Education Loan Program (FFELP) similar in magnitude to those proposed in both the House and Senate Democratic plans. These figures are based largely on the President's budget request for the upcoming fiscal year. However, I remain concerned that both chambers—following the lead of the President—may be going too far in cutting support for the largest federal financial aid program.

The challenge is that we will not know if we have cut too deeply until it is too late, and the program and its students suffer. Moreover, such deep program cuts could undermine the stability of the FFELP and upset the delicate balance between it and the government-run Direct Loan program. While I do not dispute that reforms to the student loan program are urgently needed, I am strongly opposed to any effort to give a leg-up to the bureaucratic Direct Loan program in an effort to squeeze out the private sector.

There are elements of the expected conference agreement that I strongly support. I am particularly pleased that those involved in the negotiations recognized the importance of focusing on Pell Grants. I understand the agreement may provide up to \$11 billion in increased support for this critical program. This level falls short of the approximately \$15 billion proposed by the President in his budget, but it is a great improvement over the legislation approved by the House in July.

There was a proposal to reduce subsidies in the student loan program and redirect those resources to help low-income students through increased Pell Grants. Period.

I believe that if such an approach were embraced here today, it would receive overwhelming bipartisan support in both the

House and Senate, and would be welcomed by the President. This could be a missed opportunity of epic proportions.

Although I continue to harbor serious concerns about the proposals before us, I would be remiss if I did not thank Chairmen MILLER and KENNEDY for their efforts, and acknowledge their commitment to much-needed reform. I said earlier—and I truly believe this to be true—that the intentions driving this process are good and worthy. While I remain disappointed that key opportunities may be missed, I recognize that legislation is rarely perfect and the best efforts of the sponsors should be commended.

Mr. ENZI. It puts the emphasis on some things that will be left out if we do not do it and also some things that I mentioned.

I want to add some more emphasis to what is not before us today, and that is the legislation that addresses the concerns about rooting out the bad actors in student lending. It doesn't include protecting students and families who are borrowing money for college, and ensuring that students and parents receive sound, honest advice about their student loans. Students and parents must have access to the information they need to understand and manage their debt. We must ensure that the investment our students and families make in terms of time and money is a good one, that they are confident there will be financial aid to assist continued access to a college education.

Further, it is the reauthorization bill that contains the evaluation of the auction pilot that will help determine whether the auction model should be used in the future to establish viable special allowance rates. That is the way to test it.

Higher education is the onramp to success in the global economy, and it is our responsibility to make sure everyone can access that opportunity and reach their goals. The choice of whether to pursue a postsecondary education is no longer an option. We need to make sure individuals have all the tools they need to understand and shape their future. This conference report provides some important tools but not nearly enough to complete the job.

We are only seeing a fraction of the higher education picture by considering the conference report separately from the larger reauthorization package. What is before us today focuses only on a narrow slice of the Higher Education Act, one piece which is dependent on other foundational programs that are not part of the reconciliation. You can see that on this chart: Reconciliation takes care of a little bit; reauthorization takes care of the rest.

It takes important steps to increase assistance for students seeking a college degree, but it is only a Band-Aid without the important bipartisan reforms included in the reauthorization bill. We are cutting the bottom line without dealing with the quality and substance of these important programs.

The American success story of higher education is at risk of losing the very

qualities that made it great—competition, innovation, and access for all. Our challenge is to make higher education more accessible, affordable, and accountable. By considering only reconciliation, we are not meeting this challenge head-on. We are leaving the job undone.

But we need the provisions in the reauthorization bill—better college cost information to help parents and students make sound choices; year-round Pell to reduce time-to-degree; and FAFSA, which is the Free Application for Federal Student Aid. It is a document that has been rather intimidating to students as they think about filling out this form in order to qualify for financial aid. The form itself has kept people from applying. We have reduced that in the reauthorization bill to a one-page document.

I reiterate, it is the reauthorization bill that contains all the reforms and accountability provisions to address the problems that have come to light in the loan programs—the bad actors with conflicts of interest, the lack of useful, necessary information to enable borrowers to make informed decisions about loan provisions and repayment, and the need for better controls over access to the National Student Loan Data System so borrowers' privacy is protected.

We know America's ability to compete in a global economy depends on increasing the number of students entering and completing college. But of the 75 percent of high school seniors who continue their study, only 50 percent of them receive a degree in 5 years after enrolling in college and only 25 percent of them receive a bachelor's degree or higher. These numbers are even worse for students from low-income families. It is important to ensure that more students enroll in college prepared to learn and that more students have the support they need to complete college with the knowledge and skills to be successful. Low-income students who are striving to attend college need to know there is financial aid available for them to access college or career and technical education. It is the reauthorization bill that has all the support programs for first-generation and low-income students and the institutional support programs for minority-serving institutions.

For years, institutions of higher education and employers have expressed their dissatisfaction about the fact that our high school graduates need remedial help in order to do college-level work or to participate in the workforce. Nearly one-third of entering college freshmen take at least one remedial course. Each year, taxpayers pay an estimate \$1 billion to \$2 billion to provide remedial education to students at our public universities and community colleges.

What will help this situation? Not only do students need better guidance selecting courses in high school that will enable them to succeed in the

postsecondary education, they need better prepared teachers. It is the reauthorization bill that has the partnership programs to support teacher preparation so that all children have qualified teachers to guide their learning experiences. Also, to be competitive in the global economy we need to be able to communicate with people all over the world. It is the reauthorization bill that authorizes the programs that support foreign languages and international education.

I began my remarks by stating that I am in support of the conference report. It is clear that I am equally committed to seeing that we reauthorize the Higher Education Act. We need both pieces to get it done right.

I thank Senator KENNEDY for his commitment to moving the reauthorization forward and including several Republican priorities in this conference report. While this report is not perfect, taken as a whole and with its emphasis on providing additional need-based grant aid to low-income students, I believe we have reached a reasonable approach to helping students pay for college.

I thank everyone who has been involved in the process.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER (Mr. KENNEDY). The Senator from Ohio is yielded 5 minutes.

Mr. BROWN. Mr. President, I thank Chairman KENNEDY, the Presiding Officer now, and Ranking Member ENZI, William Jawando on my staff—the committee's Ohio staff and all of the HELP Committee for their excellent work on this legislation. This bill, of course, as we know, invests in higher education. The returns on that investment will not only accrue to students and to the education system that serves them but will accrue to the stability, prosperity, and security of our Nation as a whole.

We know the problem. We know what has happened in the last many years to higher education in this country. Particularly in the last 5 or 6 years in my home State of Ohio, the cost of attendance at 4-year public institutions has increased 53 percent. In 2001, if you graduated from college versus going 4 years in 2007, you are paying almost half again, this year, in this 4-year period, than the 4-year period half a decade earlier. It has gone up almost 30 percent in the last 5 or 6 years at 4-year private institutions. At the same time, the median household income in my State has increased only 3 percent. So as college costs have gone up 30 percent if you go to private schools, 50 percent if you go to a public 4-year university, the average income in Ohio has gone up only 3 percent. You can see the gap.

The Federal Government has not been able to fill that gap. Pell grants haven't been raised for years until this legislation. The interest rates have continued to go up. Federal loans have

not kept pace, neither FFELP nor the Direct Loan Program, so the chasm has grown in terms of the kind of money working-class kids and poor kids and middle-class kids need to go to college.

In the 2004-2005 school year, 66 percent of students graduating from 4-year institutions in my State of Ohio graduated with student loan debt, and that debt was an average of \$20,000. So two-thirds of Ohio students graduating are burdened with an average of \$20,000 in student loan debt. That makes a big difference in career choice. That means they sometimes cannot take the kind of job they trained for, that they most want, because it doesn't pay the bills as well as another job might.

A generation ago, it was very different. As Senator KENNEDY and I have talked, I told him my wife a generation ago graduated from Kent State University, a working-class kid, the first one in her family to go to college. Her father carried a union card at Cleveland Electric Illuminating Company for 36 years as a utility worker, but she was able to graduate from Kent State, getting a bachelor's degree in journalism with grants, loans, and very little debt when she graduated so she could pursue the kind of opportunities she had chosen to.

Looking from 30 years ago to today and the difficulties that the middle-class and working-class and poor kids face going to college, that is why this bill matters, the dramatic increase in Pell grants, the lowering of interest rates, the loan forgiveness which Senator KENNEDY has talked about at length—what that means is assistance for teachers and nurses and all kinds of public servants to serve the community.

This seems to be a generation of idealism, and we will see those students be able to pursue a career in public service and be able to take those jobs, sometimes—often—at lower pay, but be able to relieve themselves of the huge burden of debt they face. That is why this bill matters so much.

This bill is a major step. We know we have more work to do.

Senator ENZI has said several times that we have got to pass the other legislation with the reauthorization. He is right about that. We all agree with that. That will help on some issues such as simplifying the loan form for those prospective students filling out their applications for student loans and for grants.

We also know this growth in the cost of college, as I said earlier, the cost in State universities in Ohio has gone up 50 percent, wages have gone up for an average family only 3 percent in this decade. The Federal Government has not kept up. That means an awful lot more students have turned to the private loan system and have had to face interest rates of 10, 12, 15, sometimes as high as 18 percent. They graduate from college, private or public, with a huge, even larger burden because of those high interest rates. We need to address

that in the future as the private loan system has grown more and more and more.

I close by thanking the entire committee, Senator KENNEDY, Senator ENZI, for taking up this extremely important legislation. All students should be able to afford college in this country. This bill is a step, a major step in that direction. I thank all the fellow Senators who have been so involved in this issue.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. MENENDEZ. Mr. President, I rise in support, strong support, of the higher education reconciliation conference report before us. The bill represents a remarkable achievement this body, and this Congress, should be proud of. The billions of grant aid in this bill will make a tremendous difference for students across the Nation, students who are struggling to stay afloat because of the cost of college, students who are saving every last penny in the hopes they can achieve their dreams of college.

The passage of this bill will make a change in the tide in Congress. It proves to students that when we say we will work to make college more affordable, we mean it. This bill shows them that when we say we understand the obstacles they face to finance a college education, we are not throwing words around.

This bill will confirm that when we say student loans should work for students, we mean it. This Democratically led Congress laid out strong principles for how we should improve access to a college education. With this piece of landmark legislation, we are putting those principles into action. This bill is no small feat. Not since the passage of the GI bill has a piece of education legislation made this big of an investment in students' aid.

Now, this historic moment could not have been possible without the leadership of Senator KENNEDY, who has once again stood up for the Nation's students by engineering and moving this bill forward. I also wish to thank Senator ENZI as the Republican leader on the committee who worked so quickly to finalize this important bill.

The bill could not come at a more critical time. Nationwide, the lowest income students at 4-year colleges face roughly \$5,800 in unmet need after a standard financial aid package, after their loans, and after the amount their families contribute. To put it simply, for the neediest students all across the country, current aid has not kept up.

Students of my home State of New Jersey are no stranger to the skyrocketing cost of a college education. In fact, within the past 5 school years, the cost of attendance, including tuition, fees, room and board at 4-year public colleges in New Jersey has increased by almost 50 percent.

Unfortunately, family household incomes have not kept up with these ris-

ing costs. Even after financial aid is taken into account, nearly 40 percent of median family income in New Jersey is needed to pay for 1 year of college at 4-year public colleges. It is simply unbearable for our students. The result is some of our Nation's brightest students are locked out of a college education simply because they cannot afford it.

I am pleased this legislation will reverse that troubling trend for all our students and families across the country by adding billions into new grant aid. Next year alone, New Jersey students will see more than \$40 million in new grant aid. Over the next 5 years, students in my State will have access to more than 400 million Federal grant dollars because of this bill. Grant dollars equal access for many of today's college students.

The bill reduces subsidies to student lenders and gives it back to our students. It is about time. For far too long, students struggling to afford college have seen their grants shrink, their loan rates go up and their debt explode after graduation. More than 60 percent of New Jersey students graduate with loan debt that averages \$16,000. That is not a manageable amount of debt for a 21-year-old college graduate. It is an unfair burden.

That is why I am proud of the bill, because it will help lessen the burden on our students. It will put money directly where it is most needed, into Pell grants and other critical financial assistance that benefits our Nation's students. From here on, millions of young people across the Nation will have the opportunity to see their dream of a college degree come true.

They will have access to the key that will unlock their own economic empowerment, build a successful career, and succeed in a global economy. Today we have an opportunity to move critical legislation forward to be signed into law, so the doors to college will be open for all students. In the global economy we live in today, we clearly cannot afford as a nation to have our students priced out of a college education.

As someone who grew up poor, the son of immigrants, the first in my family to go to college, I know the power of the programs we are ready soon to vote on. I would never have attended St. Peters College, I would have never gone to Rutgers Law School without the power of key Federal grant programs such as Pell and Perkins, I certainly would not be standing with you today on the floor of the Senate had it not been for Federal financial aid.

I wish to ensure that is a birthright for all our students across the Nation, regardless of the happenstance of where they were born in life.

I urge my colleagues to support the bill.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ENZI. Mr. President, I yield 10 minutes to the Senator from New Hampshire.

Mr. GREGG. Mr. President, the bill before us today from a policy standpoint does some things which are extremely positive. It adjusts, I think appropriately, the cost of the amount of subsidy that is going into the system relative to higher education loans and takes savings from that subsidy, which was going to lenders, and moves it over to assist people who need assistance, especially under the Pell Grant Program.

So it is, from a policy standpoint, moving in the right direction in many ways. In addition, as the Senator from Wyoming has pointed out, there needs to be tied to this a Higher Education Reauthorization Act, which unfortunately is not in this bill and needs to be in this bill in order to complete the package. That is critical to this whole undertaking in making sure we significantly improve our ability to support people who are going to college, making sure the loans which these people get are properly disclosed and that the money does not end up, as we increase the Pell grants, being taken away by increasing tuitions which are tied to our Pell grant increases.

So there are good things about this bill. There is also a big part of this bill that is missing, which is the Higher Education Reauthorization Act, and certainly the Senator from Wyoming made an eloquent statement on that.

What I wished to talk about, however, was the fact that this bill comes to the floor in an inappropriate way, using the wrong vehicle, and as a result deems serious harm to the budget process we have in the Congress. This bill comes under what is known as reconciliation. Reconciliation is a very unique vehicle which we have in the Senate, the purpose of which is to avoid filibusters and allow legislation to move, which is going to be used on the spending side of the ledger, at least, to reduce entitlement spending.

It was created out of the 1974 Budget Act. It has been used over the years for the purposes of reconciliation, of reducing entitlement spending. In fact, in 1990, it reduced entitlement spending—it was used to reduce about \$480 billion in entitlement spending over a 10-year period; in 1993, about \$433 billion; in 1995, about \$337 billion; in 1997, about \$118 billion; and then in 2006, about \$36 billion. Why do we use this mechanism? Well, every year we have two different types of spending in the Federal Government. We have discretionary spending, which means it occurs on an annual basis and is appropriated, it goes through the Appropriations Committee. That represents about a third of the Federal Government spending. Then we have entitlement spending, which is spending that occurs where the Federal Government, as a result of laws, has an obligation to pay money to somebody.

Agriculture programs are, for example, entitlement programs, where if you plant a certain amount of fields or do not plant a certain amount of fields,

you have a right to obtain payment from the Federal Government under the law. Medicare is an entitlement program. We have a lot of education programs which are arguably entitlement programs and a lot that are discretionary programs.

But the problem is, when you have an entitlement program, you cannot adjust it annually through the appropriations process. The only way you can adjust it is by changing the law which affects that program and creates savings or more spending. So the Budget Act recognized this and also recognizes it is extremely hard to do that in the context of the Senate because the Senate has the filibuster, where you can basically tie anything up without 60 votes. It also requires 60 votes to pass just about anything.

So this very unique and very powerful instrument was given to the budgeting process called reconciliation, where there is a limited amount of time to debate a bill, in this case 10 hours as a result of a conference report, no filibuster can apply, and it only takes 51 votes to pass the bill.

But this whole concept of giving this very strong power to the Budget Committee and to the committees of jurisdiction was to allow us to reduce the rate of growth of entitlement spending in order to make the budget more manageable.

What has happened, however, has been to reverse that, to actually do the exact opposite using reconciliation, with the representation that we are going to save, I believe it is \$750 million, which is minuscule—remember that over the years we have been saving billions of dollars through reconciliation—with the representation that we are going to save \$750 million. We have a chart which reflects this. These are savings which we have received under reconciliation when we have used it in the past: \$428 billion; \$433 billion; up until 2006, we did \$39 billion.

This year, this reconciliation bill, saves less than \$1 billion net. So it is not a savings vehicle at all. In fact, what it does is it uses that \$93 billion savings to mask an almost \$21 billion spending event.

It takes the reconciliation—as long as you get a net savings, you are allowed to use reconciliation—and uses it to dramatically increase spending. In fact, the amount of new spending in this reconciliation bill exceeds the amount of savings by 2,900 percent. In other words, the spending in this bill is 29 times larger than the savings in this bill, which totally undermines and makes a joke out of the budget process and reconciliation, and it is totally inappropriate to have done this, to use reconciliation in this manner.

It could be effectively argued the proposals that have been brought forward under this bill would easily pass this Congress with 60 votes, with or without reconciliation. But by using reconciliation, they allowed them-

selves to eliminate all amendments, for all intents and purposes of any significance, and they have this 51-vote rule, and as a result of spending 2,900 times more than they save, they essentially make a mockery of the budget process.

Not only do they make a mockery of the budget process on the issue of reconciliation, they make a mockery of the budget process by the manner in which they score the bill itself. This bill is set up so the Pell grants will increase, which is what the goal of the bill is, to \$5,400 per person, but the spending on the Pell grants will also increase rather dramatically over the next few years because we are taking a subsidy which is now going to lenders and putting it into Pell spending.

But in the year 2013, under this bill, we are going to go back to zero, essentially zero dollars being spent on Pell grants. That is what this bill calls for in 2013, zero dollars essentially will be spent on Pell grants.

What a farce. I mean, really. In order for them to take advantage of reconciliation and the protection of reconciliation, they had to put in place a program which goes from almost \$5 billion in the year 2012, down to zero in 2013. Talk about truth in budgeting or integrity in budgeting. How can anybody vote for this who believes we should have an honest budget and claim that they are being honest?

There is \$9 billion of Pell grant, which one could realistically argue over the next 10 years is going to have to be spent, which isn't accounted for. It is sort of, well, it will appear from the sky, I guess. One would think that would be enough; that basically the proposal makes a mockery of the reconciliation process in the budget, makes a mockery of the baseline by going back to zero spending in 2013. But then we get to pay-go; pay-go, the sacred cow of fiscal discipline from the other side of the aisle that we hear so much about. We are going to stand by pay-go in order to discipline Federal Government spending. We heard that incessantly in the last Congress from the other side of the aisle. We heard it incessantly from people running for office from the other side of the aisle. But it has become Swiss cheese as bill after bill after bill has been brought to the floor which has waived pay-go when it came to spending. What a surprise. The Democratic majority waives pay-go when they want to spend money.

I ask unanimous consent for an additional 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GREGG. Then they claim they are using pay-go to discipline the Federal Government. It has happened time and time again. The most recent egregious event prior to this one was SCHIP, where they added \$41 billion of new spending waiving pay-go. This \$6 billion down here that was a pay-go violation has now grown to be about

\$20 billion under this bill. So the little hole in the Swiss cheese should be a great big hole.

Anyone who comes to this floor and claims they are using pay-go to discipline the Federal budget at any time for the rest of this Congress will have to have a sanity test given to them because they certainly can't defend that on the basis of any facts.

The problem with this bill isn't the policy. In fact, quite honestly, I would have probably used a more aggressive policy. I would have been willing to auction all these accounts to get to the real number as to what the subsidy is. We might have saved a lot more money and put more money into Pell. The problem is, this bill, in the manner in which it is brought to the floor, basically puts a stake through the heart of the budget process. It takes reconciliation, which is the most significant tool of the budget process, and makes a joke out of it by using it to increase spending 2,900 times more than it creates savings. It takes the baseline and makes a joke out of it by reducing Pell grants in 2013 to zero spending, when we know we are going to be spending \$5.5 billion on Pell grants in 2013. It takes pay-go, which is alleged to be a disciplining mechanism, waives it, and then spends \$21 billion that would have been subject to it.

My point is obviously one of frustration, as former chairman of the Budget Committee. I would like to see us have a budget that means something. We didn't pass a budget. The Democratic Party passed a budget; I congratulated them for that. I didn't agree with it, but at least they passed it. But if they are going to pass it, they ought to have a purpose for it, and they ought to live by it. The purpose should not be to expand spending, to make a joke of the baseline, and to basically put holes in the pay-go mechanism which they claim is the essence of their fiscal discipline.

From a public policy standpoint, the bill may have good policy in it, but from the standpoint of managing the fiscal house of this country, it is doing fundamental harm to the budget process.

I yield the floor.

Mr. KENNEDY. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts has 17 minutes 49 seconds.

Mr. KENNEDY. I yield 8 minutes to the Senator from Illinois.

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

Mr. DURBIN. I say to my friend from New Hampshire, who is leaving the Chamber, I am sorry he is leaving. This water is put on our desks by our loyal, dutiful pages every day. Sometimes I want to check this water because I think perhaps imbibing it leads to political amnesia. The longer you drink the water on the floor of the Senate, the more you tend to forget reality and forget what has happened.

I just listened to a speech by the Senator from New Hampshire talking about deficits and reconciliation bills. The bill we have before us today, the most dramatic increase in student aid ever in the history of the United States, does not add to the deficit. We pay for it. What the Senator from New Hampshire, whom I respect and like very much, fails to acknowledge is that when he was chairing the Budget Committee, when these reconciliation bills would come to the floor, they would add dramatically to the deficit every year. In fact, we have totaled it up. Over the last several years—2001, 2003, 2005—the Republican reconciliation bills added \$1.7 trillion to the deficit. Now they come and rail against the deficits.

This bill before us today is a bill that is paid for. It is paid for by taking subsidies away from student loan companies. Do you know what happened the last round in reconciliation? They ended up taking about \$12 billion in help away from students and giving it to the wealthiest people in America in tax cuts. Talk about reverse Robin Hood, not only adding to the deficit but taking money away from students, raising the cost of their loans, and then giving that money in tax cuts to the wealthiest people. That was the politics that was rejected in the last election.

My friends and colleagues are making speeches believing that we don't have this written down somewhere about what actually happened, but we do. I am afraid my colleague has forgotten some of the most important things that happened under his watch and their watch, which was to add, in three reconciliation bills, \$1.7 trillion to the deficit.

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

Mr. DURBIN. I will when I have finished. This may be the single most important bill we pass. Most of us realize if there is one thing in America that gives you a chance to succeed, it is education. We can't guarantee to our children that they will be successful or wealthy or happy in life, but we can give them a chance. The best chance we can give them is to let them go to school and progress along and go to the best schools they can attend.

I happen to be standing here today because 50 years ago, somebody in the United States House of Representatives decided that because the Russians had launched Sputnik and frightened us with the prospect of losing the war in space, we needed to give more young kids a chance to go to college. So college, which had been kind of an elite opportunity for the wealthy and the sons and daughters of those who graduated from colleges in the past, was now expanded and democratized.

In the 1960s, kids, such as myself, from east St. Louis, IL, had a chance to go to great universities such as the one in town that I went to named Georgetown. I didn't have any money. I

borrowed it from the National Defense Education Act. What a deal. Pay it back over 10 years after you graduate, and at a 3-percent interest rate. It worked. I got my college degree and my law degree. I paid back my loans, and the money was there for the next generation.

Now what has happened to the cost of college education? It has gone through the roof. I just sat down with a couple kids from colleges in Chicago. I said to a junior and a senior: How much debt will you have when you graduate? The junior said: I am at \$35,000 right now. The senior said: I will be at \$45,000 when I graduate.

Those figures, unfortunately, are not unique. More and more students are ending up with debt.

I say to Senator KENNEDY and to my good friend and close colleague, GEORGE MILLER of California, they have done a great favor for America and for America's families. What they have done with this bill is to expand Pell grants, which are basic grants to kids whose families don't have a lot of money, for the first time in 5 years. For 5 years these Pell grants have been frozen. Now they are going up. Then they have come up with unique ways to reduce the burden of student loans so that young people who sign on the dotted line so they can go through another year of school, never thinking what this means 10 or 20 years from now, are going to pay dramatically less in interest.

GEORGE MILLER and I introduced a bill that cut the interest rate on student loans from 6.8 percent to 3.4 percent. It is included in this important bill we are going to pass today. Think about that for a minute. If you think of it in terms of your home mortgage, what if you could cut your interest rate in half, from 6.8 to 3.4. You are going to pay off that loan sooner. You will pay less in interest.

They have another provision in here that is dramatic and ingenious. If a young person coming out of college with student debt agrees to take a job as a nurse or a teacher or a social worker, things we need more young people to dedicate their lives to, we are going to forgive their loans more quickly. We are going to limit the amount of money they have to pay back each year on the loan. Then in 10 years, the student loan is erased, if they will go into teaching. This is a dramatic commitment we have made to young people to go into jobs and professions that are so important for our future.

We give a lot of speeches here about how much we love this country and how much we want to see it succeed. The real test is whether we are prepared to invest in our children. This bill invests in our kids. This bill takes money that might otherwise have gone for tax cuts for the richest people in America, which was the pattern that was building around Congress, and instead invests in working families and

their kids. It says to a child: If you are good enough to get in a good university, if you will work hard and succeed and get a degree, even if you have debt, at the end of the day, we are going to stand by you. We are going to give you a chance to pay that debt off in a reasonable way and to pick the career and life that you want. Don't take the job that pays the most money because you can pay off your debt. Take the job that your heart is attached to.

I remember running into a science teacher in the suburbs of Chicago, a young woman fresh out of college. She was so happy to be teaching math at this great high school. I said: Is this what you wanted to do? She said: No. I wanted to teach in an inner-city school, but I couldn't do it because they don't pay as much money. I have student loans, you know. They pay me more out here in the suburbs, and I can pay off my loans and buy a car. So I made that choice. I wish I didn't have to, but I made that choice.

Repeat that story a thousand times, see that teachers who could have gone into areas where they are desperately needed now have a chance to succeed.

I tell my colleagues, as I look back on the things that made a difference in my life, laws that were passed that really changed my life, when this Congress made a commitment to loans to kids from families such as my own, at that point in time they gave me a chance. I stand in this Senate today because of it. Senator KENNEDY, Senator ENZI, Congressman MILLER, and others are going to provide those opportunities for thousands of young American kids.

I yield the floor.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired. Who yields time?

Mr. ENZI. I yield an additional 3 minutes to the Senator from New Hampshire.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. I appreciate the Senator from Wyoming yielding to me. I know the Senator from Illinois would have yielded for a question, but his statement carried him away. Please note, I have no water on my desk—not by choice but I suspect that they don't trust me with it. I was glad to learn that it is the water that has caused the dysfunctionality of the Senate. I had been beginning to think maybe it was the Democratic leadership, since the change of hands. But getting this clarified is very important.

I do want to make this simple point: Pell grants were expanded through SMART grants when we did the last reconciliation, when I was chairman of the Budget Committee. We put \$8 billion in the SMART grants, which helped kids, especially freshman and sophomores. We eliminated the origination fees, and we also increased the auto zero to \$20,000, and we increased the asset protection allocation. So we

did make these decisions. But at the same time we reduced the funds to lenders and put a significant amount of it into deficit reduction, \$40 billion into deficit reduction.

The Senator from Illinois takes the position that when we cut taxes, we were having the same impact on the budget as when they increased spending. That is the difference between the parties. It is fundamental. We believe when we leave people's dollars in their pockets and they get to spend it themselves—because it is their money to begin with—that is not necessarily aggravating the Federal budget situation. They believe when you take the money out of people's pockets and expand the size of the Government—in this case, 2,900 times more than you save in the area of spending reduction—that is good, because there is a philosophical difference here.

The philosophical difference, quite simply, is the Democratic Party believes it knows better how to spend people's money than the people know how to spend their money. We believe the people know how to better spend their money better than the Federal Government does. That is the difference.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

Mr. GREGG. Well, Mr. President, first I would like to complete my thought on this point because I think it is critical. The budget reconciliation process was not set up to be a stalking-horse for dramatic expansion in the size of Federal Government entitlement programs. That was not the purpose of the reconciliation structure. It was set up for the purposes of being able to control the rate of growth of entitlement programs.

Now, we can debate whether the budget process was set up for the purposes of allowing us to return more tax dollars to taxpayers with reasonable tax rates, but certainly on the issue of spending, there is no question but that reconciliation was not intended to expand entitlement spending.

INDEPENDENT STUDENTS

Ms. LANDRIEU. Mr. Chairman, I would like to ask my friend, the senior Senator from Massachusetts, for clarification of language in the conference report. On page 60, the report refers to the definition of an independent student for purposes of determining financial aid eligibility. The current law was amended to allow students who are orphans, in foster care or wards of the court or who were orphans, in foster care or wards of the court any time after the age of 13 to be considered independent students. I would like to ask the Senator to clarify that individuals who were orphans, in foster care or wards of the court when they were 13 years of age or older but no longer orphans in foster care or wards of the court when applying for college will still be considered independent students.

Mr. KENNEDY. Mr. Chairman, the senior Senator from Louisiana is abso-

lutely correct. The conference report does indeed make that change in the law. And I can assure the senior Senator from Louisiana that we will further clarify this language in the upcoming conference report for the Higher Education Amendments of 2007—S. 1642.

Ms. LANDRIEU. I appreciate that clarification. I believe we should modify the language to be more clear on this point. I believe it should read "(B) is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;"

Mr. KENNEDY. I agree and I assure the senior Senator from Louisiana that we will make this change in the conference report for the Higher Education Amendments of 2007, S. 1642.

DEFINITION OF NOT-FOR-PROFIT LENDER

Mr. ALEXANDER. Mr. President, I thank my colleagues, especially Senators KENNEDY and ENZI, as well as their staff, in working together during discussions on the College Cost Reduction and Access Act to recognize the work of nonprofit loan providers and the services they provide to students and States.

I would like to clarify with my colleagues the committee's intent regarding one of the provisions that relates to these nonprofit loan providers. It is my understanding that nonprofit entities that use eligible lender trustees to provide Federal loans to students—such as the one in my State, EdSouth—will benefit from the special allowance payment for not-for-profit holders in this bill. The language in this bill allows an eligible lender trustee acting on behalf of a nonprofit entity to be eligible to receive this payment on behalf of the nonprofit entity, as long as such nonprofit entity was acting as the beneficial owner of Federal student loans on the date of enactment. I ask Senator KENNEDY and Senator ENZI whether my understanding of the provision is, in fact, what was intended by the bill.

Our staff has all worked carefully on the language to ensure that the legitimate efforts of nonprofits can continue, without opening up loopholes that would allow for-profit entities to benefit from the special allowance payment differential.

I thank my friends for their time today and again appreciate their efforts.

Mr. KENNEDY. Mr. President, I thank my friend from Tennessee. As I have stated previously, this bill reflects the priority of several of our Members by recognizing that nonprofit lenders in their States make important contributions in their States. My colleague is correct, it is the intent of this legislation to allow nonprofit entities that provide Federal student loans through an eligible lender trustee to benefit from the differential special allowance payment, as long as the nonprofit pays no more than reasonable

and customary fees to the trustee that holds the loans in trust for the benefit of the nonprofit entity and as long as the nonprofit was the sole owner of the beneficial interest in the loans on the date of enactment. I commit to continue to work with my friend in the future to make any necessary clarifications with respect to this provision.

Mr. ENZI. I, too, thank Senator ALEXANDER for his commitment to students in his State and across the country, and to the public purpose mission of nonprofits, such as EdSouth and, in my home State of Wyoming, the Wyoming Student Loan Corporation. I appreciate him taking the time to clarify this issue. I, too, agree with my colleague regarding his explanation of the intent of the bill with regard to nonprofit entities that provide Federal student loans through eligible lender trustees. And I join Chairman KENNEDY in his commitment to make any further clarifications necessary to ensure that existing nonprofit loan providers that use eligible lender trustees will be able to benefit from the differential special allowance payment.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mrs. CLINTON. Mr. President, I would like to thank Majority Leader REID, HELP Committee Chairman KENNEDY and ranking member ENZI for their leadership in increasing college access for millions of students and ensuring America stays competitive in the global economy. I am proud to join them in this effort.

This legislation comes at a time when the rising cost of college is making it tougher for all students who want to go to college to attend. Those who do attend college are borrowing twice what they would have borrowed 10 years ago. That is why I am pleased this legislation will increase Pell grants up to \$5,400 in the next 5 years, providing hundreds of millions in increased grant aid to New York students over the next 5 years. It is no secret to anyone that the purchasing power of the Pell grant has declined dramatically in recent years. This package not only provides a dramatic increase in the Pell grant, but also raises the automatic-zero expected family contribution threshold to \$30,000, making more students from needy families eligible to receive the maximum grant award. This conference report cuts the interest rate for certain student loans in half from 6.8 percent to 3.4 percent, saving our student borrowers hundreds each year on their student loans.

The mathematics of rising college costs are simple. More students are taking on more debt. I am pleased to join my colleagues in taking these critical steps to increase college affordability and access for all students. I am thrilled to support a conference report that will help low- and middle-income students meet the cost of college. Last November, Democrats made a promise to reduce the cost of college for our

student borrowers and today we have delivered on that promise.

Under the management of Chairmen KENNEDY and MILLER, the House and Senate have reached an agreement that provides \$20.2 billion in student aid, nearly \$3 billion more than the original Senate Reconciliation package passed in July of this year. I am very pleased the College Cost Reduction and Access Act tackles an issue addressed in legislation I sponsored The Student Borrower's Bill of Rights by providing protections for student borrowers while they repay their loans. It does so by capping monthly loan payments at 15 percent of the borrower's discretionary income and providing several important protections to members of the Armed Forces and public service employees during repayment. Under this provision, for example, a starting teacher in New York with the state average student loan debt can have his or her monthly payments reduced by 21 percent. This savings will prove critical to helping students manage their debt, especially in the first few years after they graduate.

I hear from many young people in New York and around the country, who want to be teachers, police officers, nurses, social workers and public defenders, but sadly are so straddled with debt, such careers are not an option for them. This is the wrong policy; and today, we send the message that we want to encourage more young people to go into lower paying public service jobs. I am pleased this bill creates a new loan forgiveness plan through the direct loan program for public service employees. Under the loan forgiveness program the remaining loan balance on a loan is forgiven for a borrower who has been employed in a public sector job and making payments on such loan for 10 years. Under the loan forgiveness for public service employees provision, a public school teacher in my State with \$19,000 in student loan debt will not only have his loan repayment capped at 15 percent, but could save nearly \$8,000 on his loan after teaching for 10 years. I strongly believe this program will help to fill the void in public service our nation will soon face as our baby boomer generation sets to retire by providing an incentive for college graduates to pursue lower paying, but vital professions.

The College Cost Reduction and Access Act helps make higher education more affordable, and that is good economic policy, good social policy, and good budgetary policy. I am proud Congress has chosen to make this groundbreaking investment in our students. •

Mr. REED. Mr. President, I rise today in strong support of H.R. 2669, the College Cost Reduction and Access Act of 2007.

This important legislation, which I helped craft as a member of the Senate Education Committee and as a conferee, will make a substantial Federal investment in need-based grant aid for

low-income students, and will significantly help middle-class students and families pay down and manage their loan debt.

Under this bill, the maximum Pell grant for eligible students will be increased by \$500 next year and to \$5,400 by 2012. This means that Rhode Island students will receive \$7.8 million in additional grant aid next year and nearly \$85 million over the next 5 years, increasing the average Pell grant in Rhode Island by \$360 in 2008 to \$2,880.

H.R. 2669 also includes provisions to stem the increasing numbers of middle-class families falling further into debt to finance a college education. As such, this bill phases in a lower interest rate on new subsidized Stafford loans to undergraduate students, reducing the rate in half over 4 years on such loans from 6.8 percent to 3.4 percent; helps students manage their debt by capping monthly Federal student loan payments at 15 percent of a borrower's discretionary income; and provides loan forgiveness for borrowers who continue in public service careers for 10 years, including nurses, teachers, and librarians.

I am especially pleased that this legislation includes provisions from my FAFSA Act—S. 939—to increase the income level at which a student is automatically eligible for the maximum Pell grant, ensuring that all students from families with incomes of \$30,000 or less receive the maximum Pell grant. This automatic-eligibility level would also be tied to the Consumer Price Index to ensure that the benefit keeps pace with inflation and does not become diluted.

The College Cost Reduction and Access Act of 2007 also includes provisions I authored to double the income protection allowance for dependent students from \$3,000 to \$6,000 over 4 years and increase the income protection allowance for independent students, including adult learners and veterans, by 50 percent over 4 years. These increases will protect students who have to work during college so they can earn more without having it count against their financial aid.

This is significant legislation for families in Rhode Island and across the Nation, and I strongly urge its passage. I want to thank Senators KENNEDY and ENZI, and their staffs, for their work on this bill. I also look forward to building on this legislation by working with my colleagues in the House to craft a final Higher Education Act reauthorization bill in the coming weeks that would, among other key components, include provisions I authored in the Senate version of the reauthorization bill to improve the Leveraging Educational Assistance Partnership or LEAP program; simplify the financial aid process and forms; and strengthen college teacher preparation programs. These two bills combined will tackle the twin goals of access and affordability for students and families and help ensure that our Nation remains competitive in today's global economy.

Mr. CARDIN. Mr. President, I rise today in strong support of the conference report to accompany the College Cost Reduction and Access Act now before the Senate. The conference report and the underlying bill make extraordinary progress on one of the most critical challenges before this Congress: making college affordable for all our Nation's deserving students.

We all know that education plays a crucial role in helping people pursue the American dream. That term was first used by James Truslow Adams in his book "The Epic of America," which he wrote in 1931 during the Great Depression. He wrote:

The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. . . . It is not a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.

Congress passed the Higher Education Act in 1965 to help all Americans "attain to the fullest stature of which they are innately capable." Millions of students have gained access to higher education due to the financial assistance programs, including Pell grants, this historic legislation created.

The problem now is that tuition costs are rising rapidly, wages are stagnant, and Congress hasn't kept up in terms of providing the funding necessary to bridge the gap. In my home State of Maryland, for example, in the 5 years between the 2000–2001 and 2005–2006 school years, the cost of attending 4-year public colleges increased 36 percent, from \$10,846 to \$14,793. But the median household income in Maryland increased just 11 percent. Even after financial aid is taken into account, 32 percent of the median family income in Maryland is needed to pay for just 1 year at a 4-year public college.

The effects of this disparity between college costs and family income are devastating. Each year, more than 400,000 talented, qualified, hopeful students cannot attend a 4-year college because, they cannot afford it. When I was a young man, such a person might have had other viable options for making a decent wage and pursuing a fulfilling career. But today, 60 percent of new jobs require some postsecondary education, compared to just 15 percent of new jobs when I was a student.

Those students who do go on to college are becoming more and more dependent on private loans which carry high interest rates to finance their education. In 1986–1987, the maximum Pell grant covered 39 percent of the average public 4-year college tuition in Maryland; in 2005–2006 it covered only 27 percent. This decline is due, in part, to a shift of a great portion of Federal spending on student aid from grants to loans: 30 years ago, 77 percent of Fed-

eral aid to students was in the form of grants, and only 20 percent was in the form of loans. By the 2005–2006 school year, this distribution pattern had been reversed, to 73 percent of aid taking the form of loans and 20 percent coming in grants.

Just 15 years ago, fewer than half of all students took out loans to finance their education. That number must seem incredible to today's students and parents struggling to finance a college education because today more than two-thirds of students borrow for college. In Maryland, 53 percent of students graduating from 4-year institutions in 2005 graduated with debt. The average student graduating from a 4-year college in Maryland that year owed \$14,822 in student loan debt.

The growing barriers to higher education also have a profound effect on our national economy. We do not have enough highly skilled workers in this country. We recruit overseas to find engineers, computer programmers, and scientists. Nor can we fill essential social service positions. More and more students avoid critically important career paths such as teaching, nursing, social work, and law enforcement. These are some of the most important professions in our country but lower starting salaries are a distressingly powerful disincentive: nationally, nearly a quarter of public 4-year college graduates and over a third of private 4-year college graduates have too much debt to afford a starting teacher's salary. Over half of those graduating from private colleges have too much debt to enter the social work profession. Debt levels are also causing graduates to delay buying a home or a car and postpone marriage and having children. Such decisions have important ramifications not just for the individuals involved, but for society as a whole.

As a member of the Budget Committee, I worked hard with my colleagues to make more money available for grant aid. We allocated \$9.2 billion for education and training over and above the President's budget request to be invested, in part, in Pell grants. We believe such an investment will make college more affordable so that all eligible students can gain the knowledge, skills, and experience they need to succeed, and to ensure that employers have the workforce they need to compete in a fiercely competitive, global marketplace.

The important legislation before us today takes essential steps to reverse our current course. The College Cost Reduction and Access Act will make college more affordable by: Increasing access for low-income students by increasing the maximum Pell grant from \$4,310 to \$4,910 next year and to \$5,400 by 2012, and simplifying the financial aid process for low-income students by increasing the income level at which a student is automatically eligible for the maximum Pell grant; easing the burden on borrowers by cutting student loan interest rates in half, from 6.8 per-

cent to 3.4 percent for undergraduate students with subsidized student loans; protecting borrowers by capping monthly Federal loan payments at 15 percent of discretionary income; protecting working students and ensuring they are not penalized by increasing the amount of student income that is sheltered from the financial aid process; and encouraging public service by providing Federal loan forgiveness for public service employees.

The College Cost Reduction and Access Act would increase access to and preparation for college by both restoring funding for Upward Bound, a key college access program, and creating college access challenge grants to increase college outreach activities in every State.

The legislation strengthens minority serving institutions with an additional \$500 million investment. Despite tremendous challenges and limited resources, minority serving institutions are responsible for educating many of our Nation's minority students who would not otherwise obtain a degree. Increasing Federal investment will allow these institutions to provide a better education to more students.

But it is not enough to offer more aid. Recent investigations have shown that private lenders have been exploiting the student loan system, to the detriment of the students the system is meant to serve. The College Cost Reduction and Access Act will ensure that the student loan system works for students and saves taxpayer dollars by directing unnecessary lender subsidies to student aid and injecting competition into the loan program.

In addition, this legislation will help ensure that more students are prepared for college by helping to provide good teachers to the schools where they are needed most. According to research, teacher quality is the schooling factor with the most profound effect on student achievement. Good teachers can make up to a full year's difference in learning growth for students and overwhelm the impact of any other educational investment, including smaller class sizes. Unfortunately, our educational system pairs the children most behind with teachers who, on average, have less experience, less education, and less skill than those who teach other children. We will only close student achievement gaps when we improve teacher quality and experience. We must make obtaining advanced training and experience in teaching more accessible and teaching at-risk students more desirable. I have introduced a bill, S. 1282, which Senators SNOWE and DURBIN have cosponsored, to encourage the establishment of a class of "Master Teachers" with extensive experience and training. If they are willing to teach for an extended period of time in a school that is not meeting adequate yearly progress goals, then they would be rewarded under my bill with a 25-percent Federal tax exemption on their salary.

While my Master Teachers bill has not been incorporated into the legislation before us, I hope the Senate will pass it soon.

The College Cost Reduction and Access Act also creates incentives for good teachers to teach in high-need schools by establishing new TEACH grants. These grants will provide scholarships of \$4,000 per year for high-achieving undergraduate and graduate students who commit to teaching a high-need subject in a high-need school.

This legislation contains the biggest increase in Federal student aid since the original G.I. bill. This is how our country should be investing its money: helping to open the door to our children's dreams, not just for their benefit, but for the benefit of our communities, our economy, our Nation, and all of humanity. I am proud that this Congress realizes that increasing access to postsecondary education serves both as a gateway to the American dream for our Nation's students and a pathway to our economic success and security as a Nation.

Mr. BINGAMAN. Mr. President, I rise today to express my support for the conference report to H.R. 2669, the College Cost Reduction and Access Act of 2007. As you know, the cost of college has tripled in the last 20 years.

In my State of New Mexico, the cost of attendance at 4-year public colleges has increased by 35 percent since 2000–2001. Unfortunately, the median household income in New Mexico only increased by 11 percent in that same time frame, considerably lower than the rate of increase at public colleges.

Each year, there are hundreds of thousands of students who are prepared to attend a 4-year college, but do not do so because of financial barriers. Further, an increasing number of students have to rely on loans to finance their education. In fact, in New Mexico, more than half of all students graduating from 4-year institutions graduate with debt. And the average student in New Mexico now graduates from 4 years of college with more than \$16,000 in debt.

The conference report to H.R. 2669, the College Cost Reduction and Access Act of 2007, is critical to addressing the skyrocketing costs of college, and making college more accessible to students across the country.

This legislation will actually increase student aid by more than \$20 billion over the next 5 years, without increasing the national debt. It is paid for by cutting excessive Federal subsidies to lenders participating in the student loan program.

This legislation will increase the maximum Pell grant by \$500 next year and to \$5,400 by 2012. In addition, the bill: simplifies the financial aid process for low-income students by increasing the income level at which a student is automatically eligible for the maximum Pell; protects working students, increasing the amount of student in-

come that is sheltered from the financial aid process; expands eligibility for financial aid so more students will qualify for more assistance; eases the burden of student debt by cutting student loan interest rates in half to 3.4 percent for undergraduate students with subsidized student loans; caps monthly loan payments at 15 percent of discretionary income so that graduates with significant loan debt can better manage their payments, particularly those in lower paying jobs or those supporting children; and forgives the student debt for those who commit to public service for a period of 10 years.

This student aid package could mean as much as \$200 million over the next 5 years in financial aid to help New Mexico's students and families beat back the rising costs of college.

In addition, I am pleased that the conference report will restore critical funding for Upward Bound, a key college access program.

Further, the legislation will provide scholarships of \$4,000/year for high-achieving undergraduate and graduate students who commit to teaching a high-need subject, such as math, science, special education, foreign languages, or bilingual education, in a high-need school.

Moreover, the conference report provides critical support to minority serving institutions. Despite tremendous growth in racial and ethnic minority enrollment at the nation's colleges and universities in recent years, Hispanics, African Americans, and Native Americans continue to lag behind their non-minority peers in college enrollment. The College Cost Reduction and Access Act will invest an additional \$500 million in these institutions, including: \$200 million in funding for Hispanic serving institutions—HSIs—to increase the number of students attaining degrees in science, technology, engineering, or math, and to facilitate transfers for students from 2-year HSIs to 4-year HSIs; and \$60 million in funding to strengthen tribal colleges and universities.

I am particularly pleased that the conference report contains language I authored that would create and fund a program for Native American serving institutions. The legislation will provide \$10 million to fund and help create a program for Native American serving institutions, those nontribal colleges and universities that serve large Native American student populations.

This conference report is critical to helping American families meet the increasing burden of sending their children to college, and also meets some very important national priorities. I urge my colleagues to support this conference report.

Mr. FEINGOLD. Mr. President, I am pleased to support the College Cost Reduction and Access Act of 2007, a bipartisan piece of legislation that will increase student aid by billions of dollars through cutting Federal subsidies to

private banks and lenders. This is a significant victory for students around the country and in my State of Wisconsin, which is estimated to receive over \$260 million in new need-based grant aid in the next 5 years and over \$115 million in additional loan assistance over in the next 5 years. Wisconsin has a world-class higher education system and I am pleased to support this much-needed legislation that will help open the doors to college for more students in my State.

Access to a higher education is increasingly important in the competitive, global environment of the 21st century and is one of the most important investments our Federal Government can make to advance our country's economic growth. But while the importance of attending college continues to increase, the cost of attending college also continues to increase, which often causes financial strain on students and their families as they seek to finance the cost of higher education.

I am concerned about the continued educational attainment gap between rich and poor students and the fact that access to higher education too often depends on access to financial resources. The ability of a student to attain a higher education should not depend on that student's financial background, but rather on a student's desire to obtain a higher education. Expanding need-based grant aid is one of the best ways that the Federal Government can expand access to higher education for low income students and I am pleased the conference report we will adopt today does just that.

This conference report contains a significant boost in funding for the Pell grant program, ensuring that the maximum Pell grant award will reach \$5,400 by 2012. I have long supported and led efforts in Congress to increase funding for the Pell grant program, a program dedicated to expanding access to college for low income students. I was pleased to join with my colleagues in February to pass a significant increase in the maximum Pell Grant award to \$4,310 from \$4,050, the first increase in 4 years. Earlier this year, I also joined with my colleagues Senators KENNEDY, COLLINS, and COLEMAN to lead letters to both the Budget and Appropriations Committees that advocated for the highest possible increase in funding for Pell grants. This substantial increase in the Pell program will benefit millions of students during their higher education careers.

My colleagues and I have long fought against the declining purchasing power of the Pell grant by supporting substantial increases in the maximum grant award. According to data from the Department of Education, the maximum Pell grant covered half the cost of tuition, fees, room and board at public, 4-year colleges 20 years ago, but only covered a third of these same costs during the 2005–2006 period. The declining power of the Pell has impacted my State of Wisconsin as well.

In 1986–1987, the \$2,100 maximum Pell grant covered 58 percent of college costs for Wisconsin students. In 2005–2006, the \$4,050 maximum Pell grant only covered 38 percent of college costs in Wisconsin.

I have been a proud supporter of the Pell grant program for many years and I will continue to strongly advocate for increases in Pell funding in the annual appropriations process to provide the highest, fiscally responsible increase in the Pell program in the coming years. While this legislation is an important first step, we have more to do to help ensure the Pell program can adequately cover the costs of college attendance for low income students.

In addition to the declining purchasing power of need-based aid like Pell, the availability of such need-based grant aid does not come close to meeting the demand for it. As a result, an increasing number of students turn to Federal and private loans to finance their education. According to the College Board, in the late 1970s, over three-fourths of the Federal aid to students were grants, while 20 percent of Federal student aid were loans. Recent data from the College Board indicates that the breakdown between grant aid and loans had switched by 2006, with grant aid only making up twenty percent of the Federal student aid.

Students in my State of Wisconsin, like students in other parts of the country, are greatly affected by the Federal Government's increased reliance on student loans at the expense of grant aid. The Project on Student Debt reports that more than 60 percent of Wisconsin graduates in 2005 graduated with debt and the average student who graduated from a 4-year college in my State in 2005 owed over \$17,000. This legislation seeks to help alleviate the debt burden that some students face upon graduation by cutting the student loan interest rates in half by 2011 for undergraduate students who have subsidized student loans.

Higher levels of debt can also influence the decisions students make about whether or not to take a job in the public interest sector or in the more lucrative private sector after graduation. We have all heard about students who are interested in working in areas like teaching, law enforcement, legal aid, or State and local government but who decide against taking these public interest jobs because of their high debt loads. It is unfortunate that so many students are forced to consider their debt loads when deciding which jobs to take or pursue. The loan forgiveness provision of this legislation will help those graduating students in Wisconsin and around the country who want to pursue careers in public service.

While I applaud much of the policy included in this measure, I am disappointed that we are again seeing the reconciliation process used to advance legislation that is not primarily a deficit reduction package. While there are better arguments for using reconcili-

ation to consider this particular bill than there were for the reconciliation protection proposed for past legislation to open up the Alaska National Wildlife Refuge to drilling, I am still troubled by the use of this extraordinary procedure as a way to advance a significant policy change that is not primarily a deficit reduction package. Thanks to the efforts of our Budget Committee Chairman, Senator CONRAD, the days when the reconciliation process could be totally subverted to advance legislation that actually worsened the deficit are over. I also commend Chairman CONRAD for insisting during the conference discussions on the budget resolution that this particular reconciliation instruction move closer to a more reasonable qualifying threshold of deficit reduction than was initially proposed. I hope that in future budget resolutions, we can further tighten the use of reconciliation to ensure that it is used for what it was intended, namely to advance significant deficit reduction.

Passage of the College Cost Reduction and Access Act of 2007 represents a great victory for students in my State of Wisconsin and around the country. I believe everyone deserves fair and equal access to a higher education and adoption of this bill moves us closer toward that vision. I look forward to working with my colleagues in the coming months and years to continue to expand the Pell grant program and other need-based programs so that hard-working students will be able to take advantage of the full opportunities that access to a higher education offers.

Mrs. MURRAY. Mr. President, the bill that we are debating today comes at a critical time for our country.

As the connected world has brought about new competition from nations across the globe, the need for more Americans to be armed with a college education has become essential to the future of our economy.

And as a new generation enters a work world that demands highly skilled, highly trained workers, a college degree is necessary to open the door to a successful career.

But for too long the deck has been stacked against students seeking to build their careers and grow our economy.

College has become more expensive, interest rates have grown, and those students who are able to attend college often graduate saddled with debt and unable to buy a car or a house.

Today we have the opportunity to turn the tide in favor of students and ensure a stronger future for our country.

The College Cost Reduction and Access Act puts students first, makes college more affordable, cuts interest rates, helps recent graduates, and encourages public service.

It also helps to ensure that students today have the same opportunities that I had growing up.

When I was growing up, my family didn't have a lot. The only way I was able to attend college was through Pell grants and student loans. In fact, because of Pell grants and student loans, all seven kids in my family were able to get a college education.

Today those seven kids are a school teacher, a lawyer, a firefighter, a homemaker, a computer programmer, a sports writer, and a U.S. Senator. In my book that was a great investment.

This bill helps a new generation attend college and realize their dreams in a variety of ways.

First, this bill raises the maximum Pell grant by 25 percent over 4 years to \$5,400 per student. That will make a real difference for students in my home State of Washington.

In Washington state, 20 years ago, the maximum Pell grant covered 53 percent of the costs at a public, 4-year college. Today it only covers 33 percent of those costs. By raising the maximum Pell grant, this bill will help students in Washington State and across the country attend college.

For Washington State, this bill will make another \$30 million available in need-based grants next year alone. Over 5 years, the bill will provide an additional \$333 million for low-income students.

This bill will also ensure that college graduates are not trapped by high loan payments after college. This bill cuts the interest rate on Federal loans in half to 3.4 percent for students with subsidized loans.

It also guarantees that borrowers will not have to pay more than 15 percent of their monthly income in student loan payments. This will bring immediate relief to students who are burdened with excessive loans.

Another problem with high student loan debt is that it limits the career choices of college graduates.

Many can't afford to take a job in public service and pay back their loans at the same time.

This bill encourages public service by providing loan forgiveness for graduates who pursue careers in these areas.

As a former teacher, I am also extremely pleased that the TEACH grant program has been included in this bill.

This program will provide \$4,000 grants to students who commit to teaching in high-need subjects at high-need schools.

It is past time that we reward students who are willing to embrace the challenge of working with our country's students who are the most in need.

I am also pleased that we were able to increase funding for the Upward Bound program which helps more low-income students prepare for and attend college. This program is so important for assisting students who may be the first ones in their family to go to college.

And I am pleased that minority-serving institutions will see funding in the

form of a \$500 million investment contained in this bill.

And finally I am especially proud that this bill contains two provisions I worked hard to include that help groups that face other unique problems in the college aid process.

For our brave men and women in uniform, I worked to include a provision that will allow them to defer their student loan payments during their deployments and as they transition out of service.

Currently, the law limits how long servicemembers can defer their payments to just 3 years.

As we all know, those who are serving our country have enough to worry about these days.

With deployments as long as 15 months in Iraq, and young dependent families left at home, our servicemembers are already facing real financial challenges.

Paying back student loans should not be something weighing on their minds as they serve us overseas or as they transition back into civilian life.

So this bill lifts this 3-year limit and makes more servicemembers eligible for student loan deferment and relief.

I am also pleased that this bill improves college access for homeless and foster care students.

These vulnerable students face tremendous barriers in their education—especially those who don't have a parent or guardian who is able to guide them through the process.

In this bill, I joined with my colleagues to simplify the student aid application process and made homeless and foster students eligible for higher levels of assistance.

I really want to thank Senator KENNEDY for his leadership in moving this bill forward and making sure it does right by our students. He is a tireless champion for our young people, and his work is allowing so many more of them to achieve the American dream.

To me, this is simple. If we want our economy to grow, our people to succeed, and our country to be strong, we have to help more students get a college education. This bill will do just that, and I urge my colleagues to support it.

Mrs. BOXER. Mr. President, today I rise to laud the passage of the College Cost Reduction and Access Act conference report, which is a strong symbol of our commitment to higher education access and affordability. This bill includes key tools and resources to enable students and families across our Nation to attain the American dream of a quality education.

I would like to thank Chairman KENNEDY, Ranking Member ENZI and their staff for their hard work on this important legislation. Their tireless efforts have succeeded in making higher education a reality for millions more young people.

Specifically, a key component of this legislation is the increase in college aid by roughly \$20 billion over the next

5 years, including the much needed increase in the maximum Pell grant award. For many years now, one of my top education priorities has been to increase the Pell grant award for college students with the greatest financial need.

Twenty years ago, the maximum Pell Grant covered 40 percent of costs for attending a 4-year college in California. Today, it covers just 30 percent. This bill helps our students when they start out by increasing the maximum Pell grant award from \$4,300 today to \$5,100 in fall of 2008 and \$5,400 in fall of 2011. This provision is particularly important to California, which has over 584,580 Pell grant recipients—more than any other State in the country.

The bill also includes a provision which I introduced with Senator FEINSTEIN that would remove a barrier, known as the tuition sensitivity clause, in the Pell grant system that unfairly prevented students who attend lower-tuition colleges from receiving the maximum grant. According to the Congressional Research Service, the elimination of the tuition sensitivity clause will benefit approximately 96,000 students in the next academic year and would provide an average Pell grant scholarship increase of over \$110 per student.

The bill also tackles the problem of student loan debt upon graduation. Currently, 46 percent of seniors at 4-year colleges in California graduate with debt, owing on average \$15,000 in student loans. This bill helps students by capping Federal student loan payments at 15 percent of a borrower's discretionary income. The bill also encourages public service by rewarding those who choose to work in nursing, teaching, or law enforcement for 10 years by forgiving their remaining debt after that time period.

I also want to thank Senators KENNEDY and ENZI for the consideration and adoption of my amendment regarding Upward Bound. Upward Bound seeks to capture potential, first-generation college students—many of whom are low-income youth—and prepare them for the rigors of college. Upward Bound is a fantastic tool for America's youth. These programs provide mentoring, academic tutoring, summer classes, and other services to youth across our Nation to provide them with the resources and skills they need to be successful in college.

In my home State of California, we have 73 Upward Bound programs that serve approximately 5,600 students a year. Due to funding shortfalls, 186 programs nationwide are in jeopardy of being cut, including 11 programs in California. Four of these programs are in San Bernardino, a low-income area in southern California. These four programs were cut, not because of performance—they actually have proved to be very successful and have high program scores—but because of a lack of funding.

The conference report also includes the creation of an Asian American and

Pacific Islander (AAPI) Higher Education Serving Institution designation, a provision that I and Senator AKAKA have championed in past. This designation would allow grants and other Federal assistance to be awarded to institutions that have a student enrollment of at least 10 percent Asian American and Pacific Islander and has a significant enrollment of financially needy students. The additional funding would help AAPI-designated institutions to fulfill their missions to assist students to meet their educational goals. The AAPI designation would apply to approximately 86 colleges and universities nationwide, and would apply to approximately 40 schools in California alone.

I am pleased to strongly support the passage of the College Cost Reduction and Access Act Conference Report.

No one should be denied the opportunity to go to college simply because of cost. This landmark legislation will help ensure that students and families across the country have the opportunity and freedom to attend the college of their choice. I strongly believe an investment in college aid is an investment in our Nation's future—and this bill advances this vision.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mr. DODD. Mr. President, I rise today to herald the passage of the College Cost Reduction and Access Act. This bill not only helps students and families better afford higher education, it will ultimately ensure that our country stays competitive in a global economy. I thank my colleagues Senators KENNEDY and ENZI for their efforts on this important legislation and congratulate them on bringing additional dollars into the student financial aid system. I also look forward to completing the rest of the Higher Education Reauthorization package later this year.

The College Cost Reduction and Access Act makes significant steps to assist students in several important ways: by increasing student aid, especially the Pell grant; by addressing college debt; by increasing college access and expanding college preparation programs; by providing incentives for teachers to go to the neediest schools; by reforming the student loan system to benefit students; and by strengthening minority serving institutions. We have accomplished all of this without increasing the Federal deficit and actually providing \$750 million in deficit reduction. We recapture \$20 billion by reforming the student lending system in order to invest additional resources into preparing our students for the global economy.

The annual cost of college is staggering at roughly \$13,000 a year to attend a public university and \$30,000 on average for a private university. In Connecticut, 33 percent of family median income is needed to pay for a public college. Thirty three percent even

after financial aid is received! At a time when costs for other household necessities are rising and incomes are not keeping up, families and students are getting priced out of their opportunity to attend college.

This year alone, it is estimated that 400,000 high school graduates who are prepared and ready to go to a 4-year college will be unable to go because their families cannot afford it. If America is to remain the land of opportunity, then we must ensure that college is available to all of our citizenry.

Not only is paying for an education a daunting task, but the debt incurred to complete a higher education is astounding. In Connecticut, 58 percent of graduating seniors are leaving school with debt, at an average of \$19,440 per graduate. For low-income and moderate income students the thought of being saddled with a burden of debt prevents them from pursuing higher education at all. Aside from the Federal loan program, practices in the private lending system have been demonstrated to dig our students deeper and deeper into debt.

In this bill, we have also strengthened our commitment to recruit Americans to public oriented sectors—public service employees, childcare workers, and many others will be offered loan forgiveness on their direct Federal loans after 10 years of payments. By capping the repayments of Federal loans at 15 percent of one's discretionary income, this bill will also ensure that students can choose jobs that best suit them, rather than jobs that only pay the bills. Borrowers are also assisted by the interest rates on subsidized student loans being cut in half. Over four years, this rate will be reduced from 6.8 percent to 3.4 percent. Students will be enabled to pay off debt sooner with less interest due to this provision in the conference report.

Students in most need of assistance are the critical focus of this bill. I am pleased that minority serving institutions receive an additional \$510 million to ensure that their students graduate. The Upward Bound program also receives an additional \$285 million to prepare low-income students for a higher education. In order to ensure that all students are ready to go onto college, the new TEACH program provides incentives for students who agree to teach in high-poverty schools or teach high-need subjects.

This bill will also allow additional low-income families to automatically claim zero expected family contributions when filling out financial aid forms. This change will allow students of these from lower-income families to be eligible for increased Pell grants. Financial forms themselves will become more user-friendly to provide additional assistance for low-income families in accessing student aid.

I am very pleased with the increase in the Pell grant provided in this bill. The maximum Pell grant will be raised to \$5,100, in 2008 and up to \$5,400 by the

year 2012. I wish it were much higher, considering the small portion of the cost of public education that a Pell grant provides today. The grant used to cover 80 percent of the average tuition, fees, room and board at a public university. Today the Pell grant covers an average of 29 percent. While I continue to advocate for even greater increases in the Pell grant, I commend my colleagues for taking steps to get us back to the 80-percent tuition coverage we achieved in 1975.

I would be remiss if I did not take a moment to talk about the private student lending market. Until we reach the goal of 80 percent of students' tuition being covered by Pell grants and other forms of Federal financial aid, many students have been, and will continue to be forced to turn to private and direct consumer and student loans, which are not guaranteed by the Federal Government and are not subject to loan limits.

Private student loans are now the fastest growing segment of the \$85 billion student loan industry due to rising college cost, Federal financial aid remaining stagnant and increased demand for a college education. This concerns me for several reasons.

The underwriting for private loans is similar to that used for other forms of consumer credit. This means that student borrowers, who usually have little or no credit history, poor credit scores, or no parental cosigner, or whose parents have poor credit histories, will typically pay higher rates than those with good credit histories and those with parental cosigners with good credit. This model runs counter to the longstanding Federal purpose of student aid, which is targeting low-cost financial assistance to students with the greatest needs, one of the great success stories of our country dating back to the G.I. bill in 1944.

Earlier this year, at a hearing I convened within the Senate Banking Committee, committee members listened to testimony that detailed aggressive and questionable marketing practices and other unseemly industry practices, ranging from conflicts of interest to kickback schemes to consumer fraud, that have been unveiled by congressional and State investigations into the private student loan industry. The issues uncovered at that hearing led to legislation, "The Private Student Loan Transparency and Improvement Act of 2007," which was marked up and approved overwhelmingly by the Senate Banking Committee prior to Congress adjourning for the August recess.

The ability to pursue a higher education is a fundamental element of the American dream. We must ensure that Americans have options to be able to pay for college, and I believe that private lending should be one of them. But students should have full and timely access to all of the information they need regarding the terms and conditions of private student loans in order to make a well-informed decision re-

garding the financing of their educational needs. Conflict-driven industry practices like revenue sharing and cobranding must be prohibited and student loan underwriting should occur in a manner that does not have a disparate or discriminatory impact on minority borrowers.

The legislation we passed within the Banking Committee would accomplish many of these important objectives. It requires lenders to provide more accurate and timely information to their customers about the interest rates, terms, and conditions of their products, thereby helping students better understand their financial options and obligations. It prohibits documented practices that have harmed students and families in obtaining the most competitive and affordable student loans and requires a government review into the extent to which private student loan underwriting practices may disparately impact student borrowers and colleges on the basis of factors including race and income levels.

I believe it is imperative that as we consider inclusion of the private lending legislation as a complimentary component to the Higher Education Act. We should ensure that this fast-growing market is well regulated and remains accessible and affordable as an alternative source of higher education funding for students who need them. I look forward to working with the managers of this bill towards that important goal.

The legislation before us will make college more affordable for students and their families. Reinvigorating our commitment to higher education as we do in this conference report keeps our country moving in the right direction. I urge my colleagues to further invest in our future by completing the Higher Education Act reauthorization before the end of September.

Again, I congratulate Senators KENNEDY and ENZI and all of my colleagues, including Representative MILLER, for providing the most significant assistance to our students since the G.I. bill. •

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Who yields time?

Mr. KENNEDY. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Wyoming controls 3 minutes 44 seconds, and the Senator from Massachusetts has 9 minutes 25 seconds remaining.

Mr. KENNEDY. Mr. President, I want to be notified by the Chair when I have 3 minutes left.

The ACTING PRESIDENT pro tempore. The Senator will be notified.

Mr. KENNEDY. Mr. President, for those who have been watching this debate and discussion, we just want to underline one fundamental and very important concept and principle: that the \$20 billion which is included in this legislation—which is going to be used in the ways we have described earlier

today, with the Pell grants, with the loan forgiveness for students who want to go into public service careers, for some relief for the middle class—not a nickel of that is taxpayers' money. That comes out of the lenders' pot of resources, which many of us believe is overly generous to the lenders. That is another issue. When we have time after the vote at 10:15, we will have some opportunity to develop that issue. But this is a transfer of \$20 billion from the lenders for help and assistance to the students. There is no question about any of that. That is No. 1.

Importantly, as we are coming close now to the time where we are going to be voting on this issue, I am very mindful of those magnificent words of Nelson Mandela, one of the great heroes of the century, certainly of our generation. On the occasion he was asked about education, he said the most important weapon for change in the world is education. That is something those of us who are strong supporters of this proposal believe in. It was said, in my time, by President Kennedy, and also by President Lyndon Johnson, that no American, no qualified student should be denied—should be denied—a college education because of cost.

That is a concept. That is a value. I would think all of us on this side of the aisle believe that very deeply, and many on the other side of the aisle. We would not have made the progress we have made over recent years unless we had that kind of a commitment.

We have drifted from that kind of commitment, that ideal that was set by Mandela, that was understood by John Adams when he wrote of the importance of educating the common citizenry in the Constitution of Massachusetts. No state constitution has a more detailed ideal established in its constitution about educating the public than the Massachusetts Constitution, written by one of the greatest of our Founding Fathers.

It was understood by Horace Mann when he established the public school system—the importance of education, the importance of education in terms of opportunity and promise and hope. It was understood by Abraham Lincoln in the height of the Civil War when he established the land-grant colleges to help and assist the education of citizens all over this Nation. It was understood by Abraham Lincoln, understood by Dwight Eisenhower, when this Nation was challenged by Sputnik in the late 1950s and the development of the National Defense Education Act, understood by Franklin Roosevelt with the GI bill that has been available for more than 60 years starting with a generation that fought in World War II.

If you take the total cost of that GI bill that was expended—and as most economists have pointed out, there was a \$7 return for every \$1 invested in education, \$7 returned for the cost of education. Talk about expending resources, talk about national priorities,

this was the program that built the middle class in this country. This was the program that made America great.

Now we have the opportunity again to follow the wise counsel and judgment of some of the great philosophers—Nelson Mandela and John Adams—in our time and in our generation to renew that commitment. This bill is a downpayment for it.

I agree with my friend from Wyoming, we have to go ahead and do the reauthorization. We will do it. We are strongly committed to doing it. We have passed a bill here in the Senate, and the chairman of the House committee has committed that the House committee will do it, and then we will finish it together.

But this is an opportunity. This is the downpayment. This is not going to be the only action that is going to be taken by us in our continued march toward progress in terms of the education and hope for young people. Not all the problems are going to be resolved. Not all the problems are going to be solved. This is a downpayment.

When we look at the priorities of education at other times, we have to wonder why we are even having a debate on this issue—and why we are just talking about \$20 billion. If you take what was expended on education, on investing in the GI bill over the period of the GI bill, it was a third of the total budget. If we spent now on education what we spent then, we would be spending 130 billion dollars—not \$20 billion. Imagine that. \$130 billion it would be, and we are only talking about \$20 billion. We were spending at that time all of that—for what?—for educating the young people. Is there anyone in here who would say that was a mistake? Find the Members of the Congress or the Senate who said we have spent too much in terms of investing in the education of the children in our country.

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Mr. KENNEDY. Find me that person. I remember being on the floor of the Senate when we had strong voices in opposition to the Pell grants, to Stafford loans back in the early 1960s. I do not hear those voices today. I do not hear those voices today. Why? Because we know when it is done well, and it is done right—and it has not always been, but in this case it is, in terms of the Pell grants, in terms of the loan forgiveness, in terms of some help and assistance and relief for middle-class families—it will make an important difference.

When we hear the eloquence of some of our colleagues and about the difference it has made for their education—whether it is DICK DURBIN, whether it is MARIA CANTWELL, who talks about the difference it has made in her family, whether it is PATTY MURRAY, who said all seven members of her family had help and assistance in terms of student loans, and all of those people are professional people today,

paying taxes, repaying whatever those kinds of loans are.

Let's think about what this issue is about. This is about hope. This is about our future. This is about progress in America.

Finally, this is the kind of investment we need if we are going to deal with the challenges and problems of global competition. We will have a chance to go into this in greater detail after the vote this morning, but we need these kinds of investments, and the kind of investments we have in the reauthorization bill in terms of teachers and the kinds of investments we had in the COMPETE Act that was passed in a bipartisan way earlier this year. We need this in order to stay competitive in the global economy, to make sure America's economy is the strongest. We need this investment in terms of our national security to make sure we are going to have the men and women who are going to be able to defend this Nation and use the various kinds of technologies that are developed.

Finally, we need this investment in order to have a well-trained and educated citizenry who are going to be able to breathe life into the institutions our Framers established. That is what we are talking about. We are not going to achieve all of that with this legislation, but it is going to be a meaningful and ongoing and continuing commitment, and one that all of us who are supporting this proposal recognize as something that must be followed up on and strengthened and shaped as we move forward.

Mr. President, I withhold the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The senior Senator from Wyoming.

Mr. ENZI. Mr. President, I yield myself the remainder of my time.

Mr. President, I am always a little disconcerted that what the American public gets to watch is the debate on the Senate floor. This is not where we get most of the work done. This is not where there is agreement. This is where there is the disagreement and the branding of the different parties. It is important, but it is not what gets things done.

We have a bill before us today, and the Senate-passed reconciliation bill had a vote of 78 to 18. And we had some of these same discussions. Those discussions are important. As the only accountant in the Senate, I am appalled by the way we score bills around here, the way we come up with the different provisions, the different arguments that get made on the floor. But I would say the provisions of this conference report closely parallel many of the provisions in the Senate-passed bill.

There were clearly compromises made in reaching agreement on the conference report. We can point to things in the conference report that are there because of Republican and Democratic sponsors. In the end, it is a

product where the benefits to students outweigh the reservations that some of us may have.

Over 55 percent of the savings are dedicated to increasing the Pell grant award. In the next 5 years, low-income undergraduate students will see the maximum Pell grant award increase by more than \$1,000. We will see who all takes credit for that, but that is what the bill does, and it will take people from both parties to get it passed. We increase the income protection allowance so students are not penalized for working and saving for college. The unique role that our not-for-profit lenders have in providing information and services to students has been recognized.

But at the end of the day, we must still reauthorize the Higher Education Act. Reconciliation is such a small part, and we cannot leave out the other part or we will close the door on our students. We have to reauthorize the Higher Education Act that provides the FAFSA simplification, year-round Pell, financial and economic literacy, better college cost information, and improvements in outreach and student support service programs such as GEAR UP and TRIO, in which all of us have an interest.

We have passed eight extensions of the Higher Education Act, starting in 2004. The current extension expires on October 31. How much longer do we have to wait? My goal is to not have a ninth extension on the Higher Education Act. My goal is to debate and pass a higher education reauthorization conference report. I look forward to working with Senator KENNEDY and the House to get this accomplished, or else no matter how you slice it, the biggest piece of higher education is left undone.

I will have more comments to make on the accounting on these different things as we get into further debate after the vote. We did agree to a 10:15 vote, and I want to stick to that. I have a lot of people I would like to thank. I will also save that for later. I believe my time has expired.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. All time has expired.

The question is on agreeing to the conference report.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), the Senator from Massachusetts (Mr. KERRY), the Senator from Arkansas (Mrs. LINCOLN), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) and the Senator from Massachusetts (Mr. KERRY) would each vote "yea."

Mr. LOTT. The following Senators are necessarily absent: the Senator from Idaho (Mr. CRAIG), the Senator from Arizona (Mr. MCCAIN), and the Senator from Kansas (Mr. ROBERTS).

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 79, nays 12, as follows:

[Rollcall Vote No. 326 Leg.]

YEAS—79

Akaka	Ensign	Murray
Alexander	Enzi	Nelson (FL)
Barrasso	Feingold	Nelson (NE)
Baucus	Feinstein	Pryor
Bayh	Grassley	Reed
Bennett	Harkin	Reid
Bingaman	Hatch	Rockefeller
Boxer	Hutchison	Salazar
Brown	Inouye	Sanders
Brownback	Isakson	Schumer
Byrd	Johnson	Sessions
Cantwell	Kennedy	Shelby
Cardin	Klobuchar	Smith
Carper	Kohl	Snowe
Casey	Kyl	Specter
Chambliss	Landrieu	Stabenow
Cochran	Lautenberg	Stevens
Coleman	Leahy	Sununu
Collins	Levin	Tester
Conrad	Lieberman	Thune
Corker	Lott	Voinovich
Cornyn	Lugar	Warner
Crapo	Martinez	Webb
Dole	McCaskey	Whitehouse
Domenici	Menendez	Wyden
Dorgan	Mikulski	
Durbin	Murkowski	

NAYS—12

Allard	Coburn	Hagel
Bond	DeMint	Inhofe
Bunning	Graham	McConnell
Burr	Gregg	Vitter

NOT VOTING—9

Biden	Dodd	McCain
Clinton	Kerry	Obama
Craig	Lincoln	Roberts

The conference report was agreed to. Mr. DURBIN. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that on Monday, September 10, at 10 a.m., the Senate proceed to executive session to debate en bloc Executive Calendar Nos. 238, 239, and 241; that there be 60 minutes for de-

bate on the nominations equally divided between Senators LEAHY and SPECTER or their designees; that at 11 a.m., the Senate proceed to vote on Calendar No. 238, followed by a vote on Calendar No. 239, followed by a vote on Calendar No. 241; that the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session; that Senator BARRASSO be recognized to speak in morning business—as a side note, this is his maiden speech in the Senate—for up to 30 minutes, following which the Senate begin consideration of H.R. 3074, the Transportation appropriations bill.

I will also say, while the distinguished Republican leader is present, we are going to complete the Transportation bill next week. The last vote next week will be at about 1 o'clock, no later than 1 o'clock because of the beginning of the Jewish holiday at sundown.

I have talked with the distinguished Republican leader, and we have some items we are going to look to on September 17 and 18. On September 17, there will be no votes. On September 18, there will be votes. We are going to try to develop—we have not done it yet; I have had a number of conversations with the Republican leader—as to how we proceed on the Iraq matters. We need to finish the Defense authorization bill. We want to make sure there is time to adequately debate that measure. But we also want to again address the Iraq situation. We have people, as I speak, trying to work out something that will be different from what we have done in the past. I hope that can be done, something on a bipartisan basis. We still may have to do the partisan matters. But, hopefully, Senators working together can come up with some way we can proceed on that issue. We are not there yet.

I want to alert everyone that during the week of September 17, we are going to have to do a lot of work on Defense authorization and also the Iraq matters. We hope we can complete the bill that week. Again, we are not at a point where we are near able to work out a unanimous consent agreement on that measure, but I have kept the minority advised about every step we have taken in this regard.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MCCONNELL. Reserving the right to object, and I will not be objecting, I want to underscore that the speech to which the majority leader referred will be the maiden speech of our new Senator from Wyoming, Mr. BARRASSO. That will be Monday. I look forward to hearing what he has to say.

Also, the majority leader indicated we will be discussing the way forward on our next Iraq debate, how to structure it in a way that is fair to all interested parties. The majority leader and I will be continuing to discuss that matter in the coming days.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time? The senior Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I wish to take a few moments, first, to thank all of our colleagues for the overwhelming, bipartisan support for the conference report. This exceeded the vote we had earlier on our education measures, and we also had a number of absentees today who indicated favorable support for the legislation. This is a very important statement about where we are as a country in terms of the education issue. This ought to be reassuring for the students, parents, and families of our country.

Again, I am immensely grateful to my colleague and friend, Senator ENZI. Without his strong support in the shaping of both the reauthorization legislation and this legislation, we certainly would not be here. He spoke very eloquently and well about the importance of the reauthorization. It is a viewpoint which I share for the reasons he has outlined. The simplicity of the financial aid application is key. We have 400,000 young people who are qualified for college but who do not go to college. Many do not go to college because they cannot work their way through those ten pages of an extremely complex, difficult questionnaire, and they do not have the support systems to assist them. This reauthorization will assist not only in the simplification of the FAFSA that Senator ENZI personally took a great deal of time with, as well as Senator REED, but also with regard to teachers in underserved areas and the transparency provisions that will help parents understand the costs of various universities.

The legislation has a number of noteworthy features that the Senator outlined in his statement. With this strong vote, we want to give assurance that we look forward to working eagerly with the House to make sure we have a successful passage; doing so will maximize the impact of this legislation we just passed.

We will certainly work on the issue of college cost reduction and higher education access. And we have a number of other education issues we are working on as well. We understand the importance of the reauthorization of the Head Start Act and the provisions dealing with early education. We understand the importance of reforms of K-12, the importance of tying in kindergarten into the early grades. We understand the importance of getting well-trained teachers in underserved areas, the importance of parental involvement, the challenges out there with regard to disabled students, the challenges so many students are facing in terms of limited English-speaking capabilities, and the issues around accountability and growth models. There are a lot of complex issues, but we certainly want to wrestle with those and eventually have, as a result of working

together in our committee, a seamless web of progress in the education systems in our country. That is certainly our intention. We are well down the road with the actions that have been taken today.

I wish to mention a few of these items we have in the legislation. Before I do, I wish to personally mention the individuals who worked long and hard on this measure. I failed to do it during the earlier presentation when we were under more limited time, but, as I think Senator ENZI knows very well, we have been blessed with an extraordinary group of individuals who work long and hard. Much of the legislation—the authorization and also the general format of a good deal of what we have done today—has been in the works for a number of years. It did not just happen this year. The authorization legislation we passed basically had the name of Senator ENZI on it before the changes that took place in the elections. We have been working very hard. We have been enormously blessed by an extraordinary group of men and women who have worked with us. These are complex, difficult issues with incredible implications.

We have on our Education Committee a membership that is very involved and engaged on education issues. All of them have ideas. One of the things that makes that committee so interesting is that we have an enormous number of ideas and suggestions, and it has taken a good deal of time to try to work with our colleagues on both sides of the aisle and then with the House. That was achieved.

I will certainly mention some of those who have done such an extraordinary job, and we are very much in their debt. Obviously, we are all honored to serve as Members of this institution, but those who have worked on this legislation should take a great deal of satisfaction in the difference they have made though shaping this legislation, because they have played an indispensable role, and we value very much their continued contribution.

On my staff I would like to thank Michael Myers, who has been the chief of staff of our HELP Committee, Carey Parker, a longtime friend and legislative assistant, Carmel Martin, Missy Rohrbach, Erin Renner, and J.D. LaRock. We have Emma Vadehra, Nick Bath, David Johns, Raquel Alvarenga, Liz Maher, Lily Clark, Jennifer Fay, Ches Garrison, Scott Fay, Melissa Waggoner, Dave Ryan, and Jay McCarthy.

This has been a bipartisan process all the way. I would also like to thank Senator ENZI's wonderful staff, specifically Katherine McGuire, Ilyse Schuman, Greg Dean, Beth Buehlmann, Ann Clough, Adam Briddell, Amy Shank, and Kelly Hastings.

I also thank MaryEllen McGuire, Taneisha Woods, and Jeremy Sharp of Senator DODD's staff; Rob Barron, Ellen Murray, and Mark Laisch of Senator HARKIN's staff; Robin Juliano and

Chris Fick of Senator MIKULSKI's staff; Michael Yudin of Senator BINGAMAN's staff; Kathryn Young of Senator MURRAY's staff; Seth Gerson of Senator REED's staff; Mildred Otero and LaToya Johnson of Senator CLINTON's staff; Steve Robinson of Senator OBAMA's staff; Huck Gutman of Senator SANDER's staff; and Will Jawando of Senator BROWN's staff.

I would also like to thank Senator REED's staff, Randy DeVal, Gary Myrick, and Jason Unger, and his outstanding floor staff without whom none of us could do our jobs, Marty Paone, Lula Davis, Tim Mitchell, and Trisha Engle.

I thank especially Senator CONRAD and his staff. Without them, there is no way we could have completed this bill. So thank you, Mary Naylor, Joan Huffer, Lisa Konwinski, and Robin Hiestand.

And I would like to thank Liz Engel of the Democratic Policy Committee.

I would also like to thank David Cleary of Senator ALEXANDER's staff; Allison Dembeck of Senator GREGG's staff; Celia Sims of Senator BURR's staff; Glee Smith of Senator ISAKSON's staff; Karen McCarthy of Senator MURKOWSKI's staff; Juliann Andreen of Senator HATCH's staff; Suzanne Singletary of Senator ALLARD's staff; Alison Anway of Senator ROBERTS' staff; and Matt Blackburn of Senator COBURN's staff, all of whom put in many hours to make this bill a reality.

As always, we worked closely with Chairman MILLER's staff, and I would like to thank them as well. Mark Zuckerman, Alex Nock, Gaby Gomez, Julie Radocchia, Jeff Appel, and Stephanie Moore all worked tremendously hard, and Chairman MILLER is lucky to have them.

I would also like to thank the Parliamentarian, Alan Frumin, and Assistant Parliamentarians Elizabeth MacDonough, Peter Robinson, and Leigh Hildebrand for their assistance throughout the process.

More than most, this bill has required significant help and assistance from the Congressional Budget Office, and I would like to give them a special thanks. Paul Cullinan, Deborah Kalcevic, and Justin Humphrey have put in tremendous work—nights and weekends and everything in between—to model and estimate the budgetary effects of the complex provisions in this bill, and all the many iterations and changes that the committee considered. I don't know what we would do without them. We certainly wouldn't have been able to move this legislation as expeditiously as we did.

I would also like to thank Mark Koster, Kristin Romero, and Amy Gaynor in the Senate Legislative Counsel's Office, as well as Steve Cope and Molly Lothamer in the House Legislative Counsel's Office, who also worked nights and weekends to assist in drafting the language and working out technical issues in the bill.

Finally, I would like to thank members of the education team at the Congressional Research Service—Adam Stoll, Charmaine Mercer, Jeff Kuenzi, and Dave Smole, whose expertise was invaluable throughout this process.

I wish to take a few moments to highlight briefly, once again, in greater detail, what the conference report will do. I outlined in the earlier presentation the highlights and the reasons for the legislation, but for a few minutes I wish to once again remind those who are interested in the benefits the legislation provides for all the borrowers.

It is a historic increase in the need-based grant aid—the greatest increase since the GI bill. That helps the neediest students. We talked earlier about how we should set as a goal not to let a single qualified student lose the opportunity to get a college education because of cost. We still have a long way to go. We recognized earlier in the debate that the cost of college has gone up extraordinarily. But at the same time, grant assistance has basically stabilized or gone down in real terms, and the earning power of the middle class has been level or has fallen slightly over the period of recent years.

So in this legislation we have tried to provide real assistance on the issue of burden in the percentage of repayment. We have done, I think, a first-rate job in setting better repayment options that cap a borrower's monthly payment at 15 percent of their monthly discretionary income. We have included loan forgiveness for borrowers in public service jobs, and protection for working students by not penalizing their earnings. So many of these students go out and work, and work hard, to earn a little money, and yet then they are outside the eligibility to benefit from some of important grants in terms of assistance. So we have addressed that issue. And we have provided matching grants to States to improve college access.

We cut interest rates—I was referring to that earlier—on new undergraduate subsidized loans from 6.8 to 3.4 percent by 2011.

We provide for scholarships of \$4,000 per year for high-achieving students who commit to teaching high-need subjects in high-need schools. We didn't emphasize or stress that during the early presentation. This is one of the great and important provisions in this legislation. I think we all understand we need a well-trained teacher in every classroom in America, and we need well-trained teachers in particular in inner-city schools and also in rural and underserved communities. We need them to have the skills to serve, so we provide some important assistance to that end.

Senator ENZI mentioned in the reauthorization that we provide other kinds of incentives for schools and colleges to also move in that direction.

We support the Historic Black Colleges and other minority-serving insti-

tutions, such as Hispanic serving institutions and tribal colleges and universities. We increase funding for the Upward Bound Program to provide tutoring and other support to help disadvantaged students prepare for, apply to, and succeed in college. I will show why that measure is so important in a moment.

And we provide these benefits—all of these benefits—at no cost to the taxpayer by reforming the student loan industry so that it works for students and not the banks. That is the basic concept.

As we mentioned during the course of the earlier discussion, we provide loan forgiveness to graduates in public service. This chart mentions the various professions in which individuals can be involved to gain that kind of opportunity. They can be in public safety, law enforcement, public education, early childhood education, child care, public health—with all the Public Health Service agencies; or they can be working with special needs children and the disabled community, which is enormously important; the elderly, and the frail elderly—increasingly a challenge for our country; public interest law—these are all the public defenders and legal services attorneys, as well as prosecutors; public libraries; nonprofit organizations; or teaching full time at a tribal college or university.

I mentioned earlier the article in *Time* magazine this week that talks about the attitudes of students in colleges all over this country, and that it is the desire of so many of these young people to be involved in public service and to help respond to the needs in their communities. They want to be part of the solution, not part of the problem. So often, because of their indebtedness, they have to choose careers in order to deal with the indebtedness. So this legislation will open up or help us take advantage of that idealism that is out there. We are giving them a pathway to making a difference in terms of the future of our country, and I think that is enormously important. That is one of the most important parts of this legislation. We have tried to work on it, and I think it will be very important.

I might give a quick example of how the loan forgiveness works. A starting teacher in my State, making a salary of \$35,400, has an average debt of about \$18,100. Under the loan forgiveness plan, where he or she would not pay more than 15 percent of their disposable income, they will save \$730. If they continue to work as a public educator, more than half of their indebtedness will be forgiven after the required period of their service.

If you take a similar situation, this is a police sergeant with a child in Arkansas, making an annual salary of \$28,200, with a debt of \$17,000. This will help save him or her \$1,100 a year in terms of repayment. At the end, if he or she stays in law enforcement for ten years, \$14,800 of the \$17,000 debt will be

forgiven. \$14,800 of the \$17,000 debt if they stay working in law enforcement.

So this gives you a good illustration about the loan forgiveness.

As was mentioned earlier, the higher education reauthorization bill, which Senator ENZI referred to, addresses rising costs by requiring colleges to publicize college cost information. This is a real problem. Parents have a difficult time understanding what the real costs are. There are fees and more fees—tuition, room and board. I was absolutely startled when the daughter of a very good friend of mine, attending one of our finest colleges, indicated to me the cost of the schoolbooks for going on to college—over \$100 for a freshman schoolbook in a rather general subject matter. These are surprises that you are faced with; the several hundred dollars additionally that people are unaware of.

I know some of our colleagues have talked about this and we are certainly aware of this challenge and so we are going to try to see what we can do to help provide some assistance there.

Reforms to the student loan system will ensure that colleges are recommending lenders based on the best interest of their students. Those are the ethical provisions we have added as a result of the investigations received broad support in this from the colleges and universities. Many of them were stunned by what has been happening, and they have been enormously cooperative and helpful.

And I want to talk about simplifying the financial aid form. I give great credit to Senator ENZI and Senator REED on this. They have simplified this form from an enormously complicated ten pages of questions to just two pages of essential questions. That will make a big difference.

This strengthens GEAR-UP and TRIO to improve preparation for higher education. The record of these programs has been extraordinary in terms of providing the bridge for many of those who come from disadvantaged backgrounds to get them started into college, and in terms of giving them the assistance and the followup so they will need complete their higher education.

Then, also, the reauthorization reforms and improves our teacher preparation programs. Teachers are the backbones of our schools, and the bill will promote high-quality teacher preparation programs, and recruit good teachers to teach in high-need schools—where they are needed most.

So those are some of the essential elements in the reauthorization.

As we said earlier, we are investing more here in the Pell grant. Here, I have the chart of what has happened in terms of the failure to increase the Pell grant to keep up with the cost of college. This demonstrates where we are going with one very important aspect, and that is the assistance in the Pell program. It has remained flat in the past. You can look from 2002 all the

way to 2006, and now we will go to \$5,400 by 2012.

There has been talk that there had been some increase in Pell, all of which is true, but that was because there was an increasing number of poor students who were eligible for the Pell grant. We have nearly 5 million more people living in poverty today than in 2000. So we put more money into Pell to cover more students, but that did not keep up with the growth needs for the grant amount. The point being, this is a very important increase in terms of the cost. As the Chair, Senator BROWN, pointed out, an increase in the cost of universities, a failure to provide an increase in grants, and the leveling of salaries of people have made it very difficult for many to pay for college.

In my full statement, I point out in a more dramatic form, what is happening in terms of the need for many of these students and that what we are seeing currently in our education system is the increasing divide of America. I think all of us believe, or should believe, that if we are going to be one country, with one history and one destiny, we don't want education adding to the separation of a divided nation. It ought to be bringing the country together—based upon ability, based upon hard work and enterprise and a willingness to work and to achieve and accomplish. What we have found in our education system now, for a number of reasons, though unintended, it is working to divide the country. It should not be. That is a very important issue that we have tried to address in a number of different ways in this legislation. I believe it is very important to do so. We have not emphasized it, stressed it that much in our earlier comments, but it is an underlying commitment we have.

In my more complete statement, I have reviewed the different ways we tried to do this. We are going to continue to work at it.

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

As I said when we began our debate this morning, our Nation has always looked to education as the pathway to progress and prosperity. After John Adams recognized education as a fundamental right in the Massachusetts constitution, we embraced this view in my home state by creating the first college and first public school in the nation. A few decades later, legendary reformers such as Horace Mann, first recognized that public schools would be the "great equalizer" that delivers opportunity for all to fulfill their potential.

At the height of the Civil War, Abraham Lincoln signed the legislation creating the land-grant colleges and made a commitment on behalf of the nation to the education of the children of our country. During the Industrial Revolution, we rose to the challenge once again. We established free public schools. At the turn of the last century, we founded public high schools to enable the nation to move forward. And after the Second World War, we passed the GI Bill to enable those who served in war to rebuild their lives at home. For every dollar we invested, the Greatest Generation returned \$7 for our economic growth.

The landmark success of the GI Bill shows us what a difference higher education makes. The bill granted World War II veterans up to \$500 each term—the equivalent of \$5,600 today. It swung the gates to college wide open—and half of all veterans went through those gates determined to create a new life for themselves and their families. More than five million veterans received vocational education or job training, and more than two million attended college.

In 1940, the average GI was just 26 years old and had attended only one year of high school. The bill even enabled many of these GIs, who had served the country so magnificently, to become professionals. In 1957, we were called to action once again. The Soviet Union began a new Space Age with the launch of Sputnik. We rose to the challenge by passing the National Defense Education Act, and by inspiring the nation to land on the moon. We doubled the Federal investment in education.

Today, we need a similar bold new commitment to enable the current generation of Americans to rise to the global challenges we face. The Higher Education Conference Report we consider today makes that commitment. Today, we'll help millions of students achieve the American dream by providing \$20 billion in new college aid—the biggest increase in student aid since the GI Bill.

Just a few weeks ago, the Senate overwhelmingly voted to approve this bill. Let's look at what the Senate bill did:

It provided a historic increase in need-based grant aid, by raising the maximum Pell Grant by almost \$1,100 over the next 5 years, to \$5,400 from \$4,310 today.

It provided new student loan repayment options that allow borrowers to cap their loan payments at 15 percent of their monthly discretionary income.

It offered loan forgiveness to borrowers who work for 10 years in a variety of public service jobs. This includes public school teachers, law enforcement and emergency management professionals, social workers, librarians, prosecutors and public defenders, public health doctors and nurses, and child care workers.

It protected working students by not penalizing their earnings, by raising the "income protection allowance" from \$3,000 to \$6,000 for dependent students, and increasing it by 50 percent for independent students.

It initiated a new program that provides matching grants to states so they can provide more college access activities to students.

Our Senate bill provided all these benefits at no cost to the taxpayer—by cutting the outrageous subsidies the government gives to lenders. We gave that money to the students, where it belongs. The Conference Report we consider today maintains all these benefits to students. But it does even more for students. In addition to the benefits I've just described, the College Cost Reduction and Access Act:

Cuts interest rates on new subsidized Stafford loans for undergraduates from 6.8 percent to 3.4 percent by 2011—a step which will help millions of students manage their student loan debt more effectively.

It provides scholarships of \$4,000 per year to high-achieving college students who commit to teaching high-need subjects like math and science in high-need schools.

It provides more than \$500 million to support Historically Black Colleges and Universities, Hispanic Serving Institutions, and other colleges that serve minority students.

It increases funding for the Upward Bound program by more than \$200 million, which will help provide tutoring and other support services to help disadvantaged high school students prepare for, apply to, and succeed in college.

This is the bold commitment that our students and families deserve, and it couldn't come at a better time. We all know that a college education is more important than ever, but it's never been more expensive. The cost of college has tripled in the last 20 years. Yet, family incomes are not keeping up with rapidly-rising college prices. Last week, the Census Bureau released new data showing that median household income in America increased just seven-tenths of one percent last year. Meanwhile, the cost of college increased 6 percent.

In fact, over the last twenty years, the cost of college has increased more than twice as fast as median household income. Since 1986, costs have increased by 216 percent at public colleges, and 208 percent at private colleges. But median household income has gone up just 93 percent over that same time. During the same period, grant aid has not kept up pace with increasing costs.

Twenty years ago, the maximum Pell Grant covered 55 percent of costs at a public 4-year college. Today, it covers only a third of those costs. The gap between the maximum Pell grant and the cost of attendance at 4-year public colleges has increased almost \$3,500 since 2001–2002. Today the gap is \$8,746. For years, under Republican control of Congress, the maximum Pell Grant was stuck near \$4,000. Earlier this year, Democrats increased the maximum grant to \$4,310. But that's far from enough.

Increasing costs and stagnant grant aid are closing the doors to college for many middle-income and low-income students and families.

The lowest income students on average have an unmet need of \$5,800. Each year, 400,000 students don't attend a 4-year college because they can't afford to do so. It's shameful that low-income students—even those who have worked hard and done well in high school—are less likely to attend and complete college than high-income students. Just one fifth of low-income eighth graders will graduate from college. But 68 percent of high-income students will do so.

That's unacceptable.

By providing the biggest increase in student aid since the passage of the G.I. Bill, our bill will help close these gaps. Of the \$20 billion in college aid that our bill provides overall, \$11.4 billion is allocated for additional grant aid. Our bill immediately increases the maximum Pell grant by \$500 next year, to \$4,800 from \$4,310. By 2012, the maximum Pell Grant will increase to \$5,400.

Who will be helped by this bill? It will help students like Sara, who was a first-generation college student. She graduated from Norfolk State University and earned her Master's degree with the help of the Pell Grant and other aid programs. Sara says that the Pell program helped her family know that a better day was coming for them. This bill will help students like Natalie, from Massachusetts, who's a single mother enrolled in college for the first time. She says that without Pell grants, she "would be stuck in this way of life, with no 'light' to look forward to . . . knowledge is power and education is key." More than 5 million students rely on the Pell grant—5 million.

This bill provides the help and assistance that millions of Americans need in order to access and afford a college education. This increase in aid is long overdue. But we cannot stop there. Students and families also need our help to manage the crushing burden of student loan debt. As the cost of college continues to rise, the crisis of student loan debt is growing worse. In 1993, fewer than half of all students took out loans to finance their education. But today, more than two-thirds of students borrow for college. Today, the average student leaves college with more than \$19,000 in student debt.

This mountain of debt is distorting the basic life choices of countless Americans. It's forcing them to delay getting married, delay buying a home, and delay starting a family. It's discouraging many young people from choosing careers in fields such as teaching, social work and law enforcement—the low-paying but vital jobs that bring large benefits to our society. No student should have to mortgage their future in order to pay for higher education. That is why our bill also cuts interest rates in half—to 3.4 percent from 6.8 percent—on new subsidized Stafford Loans for undergraduates, which goes to the neediest students.

By cutting the rates in half, we reduce the interest rate on these loans to some of the lowest levels ever in the history of the federal student loan program. These reductions will provide much-needed help to the 5.5 million students who take out subsidized student loans each year. Reducing interest rates will clearly help students. Under a standard 10-year repayment plan, a borrower with \$18,000 in subsidized loans will have their interest payments reduced by 35 percent, from almost \$6,900 to less than \$4,500. That student will save almost \$2,400 in interest payments. Borrowers who consolidate their subsidized loans will save even more. For example, a borrower with \$13,800 in subsidized student loan debt—the average amount—will save \$4,400 over the life of their loan.

Our income-based repayment plan—which gives borrowers the option of capping their loan payments at 15 percent of their monthly discretionary income—will help save borrowers even more. And when it's combined with our public service loan forgiveness plan, the help we'll provide to students will be truly remarkable. Teachers, emergency management technicians, law enforcement professionals, public health doctors, nurses, social workers, librarians, public interest lawyers, early childhood teachers—and many others—will be eligible for loan forgiveness. Take, for example a starting teacher in Massachusetts who makes a salary of \$35,421:

If that teacher graduated with the average loan debt for the State—\$18,169—he or she will have a monthly payment of \$209.

Under the income-based repayment plan, that monthly payment would be reduced to \$148 instead—\$61 less.

Over the course of the year, that teacher would pay \$732 less than under the standard repayment plan.

If the teacher stays in the job for 10 years, the remaining debt would be cancelled altogether—in this case, a benefit of over \$10,000. Or let's consider a starting legal services attorney, who makes \$36,000 a year:

If that student graduated with the average loan debt for lawyers for the State—\$51,056—he or she will have a monthly loan payment of \$588.

Under the income-based repayment plan, those monthly payments would be \$259—that's \$329 less.

Over the course of the year, that legal aid attorney would pay \$3,948 less than he or she would have paid under the standard repayment plan.

And if the legal aid lawyer stayed in the job for 10 years, the remaining debt would be cancelled—in this case, a benefit of over \$50,000. Or let's consider the example of a police sergeant with a child in Arkansas, who makes \$28,289 a year:

If that sergeant graduated with the average loan debt for students for the Arkansas—\$17,000—he or she will have a monthly loan payment of \$196.

Under the income-based repayment plan, because the sergeant is supporting a child, those monthly payments would be reduced to \$97.

Over the course of the year, the sergeant would pay \$1,185 less than he or she would

have paid under the standard repayment plan. And if he or she stayed in law enforcement for 10 years, the remaining debt would be cancelled—in this case, a benefit of over \$14,800.

Our bill pays for these valuable measures, not by increasing the burden on taxpayers, but by reducing unnecessary subsidies for lenders who take part in the federal student loan programs.

Today, thousands of lenders offer college loans. The largest, Sallie Mae, is so profitable that a group of investors recently offered to buy it for \$25 billion—more than 40 percent above the value of its stock.

The lenders claim that if Congress reduces their subsidies, it won't be profitable for them to make student loans anymore, and they'll leave the business. But when Congress has reduced subsidies in the past, the lenders' profits have still gone up, not down. Here's a chart that Sallie Mae itself produced. It shows that even though Congress has reduced subsidies several times in the past, the company's profits have continued to go up and up. In 2006, Sallie Mae made \$1.1 billion in overall profits. Obviously, there's still plenty of room to reduce lender subsidies further.

Lenders also claim that if we reduce their subsidies, they'll be forced to reduce the benefits they offer to borrowers on student loans. But what they don't tell you is that many of the benefits they offer are phantom benefits that few borrowers ever receive. According to an independent analysis by FinAid.org, the average borrower saves only \$118 through borrower benefits offered by private lenders.

By contrast, the Pell grant increase in our bill will provide an additional \$2,360 in grant aid over the next four years, which translates to \$3,260 in lower loan payments. When fully phased in, the increase will provide an additional \$4,360 per student, which means over \$6,000 less in loan payments over the life of the loan. If lenders wanted to offer a comparable benefit, they would have to provide over 40 times the level of benefits they now provide.

Finally, lenders claim that if we cut their subsidies, small lenders will be forced out of the FFEL program, restricting borrower choice and leaving only the big banks in business. Smaller lenders have made this argument before. But when Congress has made sensible cuts in the past, the number of lenders has risen, not fallen. Right now, more than 3,500 lenders make federal student loans—the highest number ever in the history of the student loan program. Let's be clear about what smaller lenders typically do. Most of them simply sell the loans to the larger lenders, soon after the loans are made. That's why the biggest lenders hold so many loans.

Lenders will no doubt continue to complain that the cuts in this bill are too deep, but the reality is that our bill restores the balance to this grossly unfair student loan system by directing funds to the students, not to the banks. It will also encourage long-term reform of the student loan system by creating a pilot program in which an auction will be used to see what subsidies are necessary to keep banks involved in the student loan program.

For years, the federal government has used auctions to determine prices on everything from broadcast spectrum rights, timber-cutting rights, oil and gas drilling rights—even the price of infant formula delivered through the WIC program. There's no doubt we can use auctions to operate the student loan programs more efficiently. The money we save through this pilot program will be sent back to where it is needed most—to increase access to college for students through a state matching grant program.

I also want to reiterate my commitment to the Higher Education Reauthorization bill. Just a few weeks ago the Senate voted unanimously for this bill. It's critical that we complete work on it this year.

The reauthorization bill takes steps to ensure that the student loan system is working in the best interest of students, by pursuing needed ethics reforms in the student loan industry.

It simplifies the federal financial aid application and delivery process, to ensure that this complex system does not work as a barrier to access for low-income students.

It demands that colleges do their part to keep college costs down. If we do our part to provide needed student aid, they must do their part to keep their tuition and fees reasonable.

And it reforms and improves our teacher preparation system. Teachers are the backbone of our schools. The reauthorization bill promotes high-quality teacher preparation programs, and helps recruit and retain high-quality teachers in high-need schools.

The Higher Education Reauthorization bill goes hand in hand with the legislation before us today. Senator ENZI and I look forward to working with our colleagues in the House to ensure that it is also enacted before the end of this session. For many years, Congress was guided by one clear principle with respect to higher education—that no qualified student should be denied the opportunity to attend college because of the cost. I know how important that principle was for President Kennedy. My brother believed very strongly that if you work hard, study hard, and are accepted to college, you should be able to attend the college of your choice—without regard to cost. That view resonated powerfully with students and families, and it helped create the groundswell that led to the creation of the Higher Education Act of 1965.

We've lost sight of that principle in recent years, but with this bill, we will renew it once again. I'm grateful to my colleague Senator ENZI, and to all the Members of our Committee who helped shape this important legislation. Because of their able work, the Senate approved the legislation earlier this summer with a resounding bipartisan vote, and I look forward to final passage of this bill by a similar strong bipartisan majority.

I again thank all of our colleagues and staff and yield the floor.

The ACTING PRESIDENT pro tempore. The senior Senator from Wyoming is recognized.

Mr. ENZI. I thank the Senator from Massachusetts, Mr. KENNEDY, for his great explanation of what is in the bill we just passed. As the debate on this conference report comes to a close, it is necessary to thank those who worked long and hard to get us to this point. It has been a lot of people. I appreciate the extensive list that Senator KENNEDY had.

Chairman KENNEDY has done a marvelous job of pulling everybody together, covering very diverse topics, some of them very controversial, and working through them. What I always like to point out to people is that is not always a compromise. Sometimes it is a third way. What we are trying to do is get to a goal. This bill goes a long way toward getting to that goal. I thank him for his commitment to not only moving forward with this bill but to joining me in pressing for the comprehensive higher education reform bill.

I would also like to thank everyone on my staff who has worked to get us to this point. In particular, I would like to thank Katherine McGuire, who directs the whole operation, all of the different bills we are working on. There are actually about 55 in the process, covering health, education, labor, and pensions.

I would like to thank Beth Buehlmann, who has been the education guru on our side, who has led the team that I have that has helped put together these different packages in the education area. I have to say, our committee covers everything from birth to death because we start with preschool and then we have elementary and secondary education, then we have higher education, then we have continuing education. In this day and age, it is important for people not just to graduate from college, it is important for them to continue to learn. Of course, there is a direct relationship between how long you continue to learn and how long you live. But it is going to be even more important as the baby boomers are retiring that we encourage a lot of them to continue in the workforce—perhaps in different jobs than they have ever done before. So we have a lot of things we need to get done yet that we have been working on.

Head Start is one of those preschool programs we have. We actually handle 69 preschool programs. We need to do some condensing on that so we eliminate some duplication, some excess, and some spending. But Head Start has already passed the Senate, it has already passed the House. We are working very carefully to get that finished up now with a conference report, and I think we are making good progress on that.

On No Child Left Behind, the House has informed us they now have their draft proposal ready to discuss. We have been working on that in a very bipartisan way for a long period of time now, going back into the last session of Congress and now into this one. Again, I congratulate Senator KENNEDY for the way he has held coffees to bring in experts who can clear up, in a more casual atmosphere, some of the difficulties, give us a better understanding and share with us some of their ideas on how that can be achieved. It has been extremely helpful. We have had meetings with Chairman MILLER and Ranking Member McKEON from the House along with the President and First Lady and the Secretary of Education on numerous occasions. Those have been very bipartisan.

I would be very remiss if I failed to mention the commission that has been working on No Child Left Behind that provided us with a number of proposals, suggestions, advice on what needs to be done to make that even more effective. Those have been, again, worked on in a very bipartisan way to see which fit with all the other ideas we have. I think we will come up with

a plan for that which will improve the system. It will eliminate some of the feeling that it is just about evaluating teachers and will give them more tools to know what their students are lacking so we do not leave whole groups of children, or individual children, without an education. That is the whole purpose of the program.

We are also trying to work in the high school area, where we can eliminate dropouts and eliminate some of that remedial work which is needed when they get to college. That remedial education costs billions of dollars to parents and to taxpayers.

Another important piece to this puzzle that we need to do is continuing education. We have passed unanimously through the Senate, twice over the last 3½ years, the Workforce Investment Act. This is an act which would train 900,000 people for higher skilled jobs or different jobs than they have held before, so they can retire and do something different and still be a contributing part of the workforce and continue to have revenue coming in. But we have never been able to conference that bill. I think that is a crime. We need to get it through once again, through the Senate, and get it conferenced.

I know some of the concerns were what might happen in conference. Now it is our side that should have the concerns about what could happen in conference because, as we have seen in conference, actually the minority can be left out of the process. I hope that would not be the case. But there is a lot of devilment that could be done, and that is why we didn't get to conference the Workforce Investment Act. I kept assuring that would not happen in conference, but now the other side should know for sure that anything they were worried about the Republicans doing in conference will not happen. I will try to convince the Republicans that the Democrats will show equal courtesy and we will not have to worry about what they might do in that bill and we will wind up with something that will actually train people to higher skilled jobs so we don't have to outsource those jobs to other countries. That is what is happening now. We don't have this training process to the level of flexibility where it really serves the people in the new occupations that are coming up.

The kids in school now will undoubtedly have more than a dozen different careers. Not different employers; that is real easy—you just quit one, move to another, work essentially the same kind of job. That is not what I am talking about. I am talking about moving to a new career. Why is that essential? Because a lot of the jobs that are available today will not be available in the future. Out of those 14 different occupations that a person will probably have, 9 of them haven't even been invented yet. That is how the world is changing. We have to be sure that the whole education process, from pre-

school to death, conforms to the new economy so people in the United States, citizens of the United States are the ones getting the good jobs; that we are not sending them, with the new technology, to other parts of the world. We can do it. We are a very innovative country.

This bill we have done today will go a long way to helping in higher education, but what we focused mostly on was just the financing. There are a lot of pieces of higher education which go beyond that and which the chairman and I have been emphasizing to the House that they need to get done, and we are hoping to have some very firm dates on when they will get that done. This could get into a Presidential election situation if it goes much longer. That probably would not be productive for higher education or our kids, so we need to get it done right away.

I have mentioned numerous times the things that have been left out of the reconciliation bill. I will not go back through all of those again, although I have some great charts, but I would emphasize again that needs to be done.

I will mention one area again because this goes back to a story from my earlier days. My first child was applying for college. I had to face this formidable form as an accountant. As an accountant, I have trouble understanding not only parts of the form but parts of the worksheet. This is a typical Government thing. They give you a worksheet to be able to fill in a blank of the final form, and the worksheet is almost as difficult as the form. As an accountant, it is a little tough sometimes to know what is even supposed to go into the blanks, but that is OK because the Government always provides extensive instructions on how you can interpret the blanks you are supposed to fill in. Hopefully on the new one-page form we have they will not have to refer to extensive explanations.

I think it is pretty clear what we have on the new ones. It is supplemented. Instead of taking pieces off of your income tax form to report on, you already have the form done, so the form can be submitted with it, and that has greater explanation than trying to do all of the math Worksheet B calls for. So we have simplified that greatly. But that is besides the fact that now it is very formidable, and that keeps a lot of people from ever applying for financial aid.

I had the opportunity to fill out one of these when my first child was getting ready to go to college and was picking a fairly expensive college, and I thought maybe we can qualify for help, and the financial officer said: Yes, I think you probably can; you just have to fill out this little form.

We filled it out. We were in the shoe business. We had a single shoe store. It was a family shoe store. My wife and I both worked there, and the kids worked there some of the time, and we had other people who worked for us,

too. We were going through all the crises that small businesses today have to deal with, like, how do you afford the insurance for your people? It is not fair to buy insurance for yourself unless you buy insurance for the people who work for you. We were going through a number of those crises. Anybody in small business knows there are those times when you wake up in the middle of the night with an "O my word, how am I going to pay the bills today?"

Aside from that, I filled out the form and got the results back and they said: You really don't qualify. There are two essential reasons. One is, if you sold off a fourth of your inventory each year, you wouldn't need the help. If you sell off a fourth of your inventory and your child makes it through school in 4 years—which is not standard, but I do want to say all three of my kids did graduate in 4 years—but if you sell off one-fourth of your inventory each year, you can afford to send your child to college without any financial help.

I had to point out to them that if I sold off one-fourth of my inventory each 4 years, I would be out of business by the time my child graduated.

That is not quite fair, and hopefully we have made some corrections so that we won't be putting people out of business in order to get their kids through college, but we will be expecting them to make contributions to the expense of their education.

The other surprise was we had made our kids work. We made them save a substantial piece of what they earned when they worked so they could pay part of their way to college. This same financial officer said to me: You know, she would have been better off if she had bought a car because that wouldn't count against her.

What kind of incentive is that for the kids in this country? They really will appreciate their education more if they participate in their education. So I think if we can get that reauthorization part through, we will protect and incentivize kids to actually work toward their college education, so it will mean more to them as they go through, and that will probably cut down a little bit on how long it takes them to get through school because part of that money is theirs. I would like to see every kid be able to get an education and have some money left over when they get their education, not a whole bunch of loans. We will be able to help with that by passing this reconciliation conference report.

I do have some concerns, as everybody does when they pass a bill. I am the only accountant in the Senate, so when we look at some of this stuff and the way we score things, I do have some difficulties with it. We need to be aware of them because these are going to come back to bite us later.

One is the chart the Senator from New Hampshire used earlier, which shows how scoring works around here, and that is that you can provide benefits, and then if you can end the scor-

ing at a particular point, you can drop off to a zero and show that you fully funded it.

It is not going to work that way in reality. I do not know who is going to be in the majority when we get to 2012. Nobody does. But whoever is in the majority at 2012 has to figure out how to fill the gap of the dip in the chart, as well as take care of the inflation that has happened in the meantime, and, hopefully, greater Pell grants as a whole, in reality, at that point in time.

Why am I concerned about this? Well, we have done some things with interest rates over a period of time that have had some of these same effects on students. We always try to figure out how we can get the lowest interest rate for kids who are going to college. And that is important. And a number of Senators, including the Presiding Officer, have pointed out the importance of that.

Well, we got involved in interest rates actually when President Carter was in office, and interest rates rose to 18 percent and were going higher, and did go higher. We had no idea how much higher. We had no idea whether they would ever come down again.

So Congress got involved with student loans and said: 6.8 percent is the highest that anybody is going to pay while they go to college, and we did kind of put some ends on that. In the meantime, of course, interest rates came back down. We went to variable rates, which allowed the Government to fluctuate more on interest rates. But each time, it becomes a problem for whoever is in the majority because you can pin the difficulty on them and say: 'You have got to solve it. And no matter what solution you come up with, we are not going to like it, and we are going to make it into a campaign issue.'

Well, I hope we do not do that all of the time. But it is important for people to realize that we are cutting the interest rates in this reconciliation bill we just did, and we are going to get them down to 3.4 percent. But that is over a period of time. So students who are in college and just heard the discussion should not expect to go get a loan—or as soon as the President signs the bill—at 3.4 percent. That gets phased in. It will get down to 3.4 percent. But then it ends, and we run into the same situation that I pointed out a minute ago; that one party or the other is going to be in the majority at that time, and they are going to have to solve that problem of how we keep the interest rate at 3.4 percent or lower, or match up to higher rates, because they all have a cost.

Now, how does that cost get handled? Well, it does not make a whole lot of difference to the banks because we subsidize them up to a level, and we change that from time to time too. The subsidy is what we have been talking about in this reconciliation bill. You can offer this lower rate to the students, and then we will provide a sub-

sidy so that you make a reasonable rate of return. Now, we always have a little trouble deciding what that reasonable rate of return is, and that is what we are talking about.

Two years ago, we cut that subsidy, and we cut it pretty severely and made billions in savings off of cutting that corporate subsidy.

Now, at that time what we did is put half of the savings in the subsidy, which actually comes from the taxpayers.—You have got to understand that it is from the taxpayers that we are doing this—but we took half of that and we put it to deficit reduction, which is kind of a return to the taxpayers.

We took the other half and did a number of things for students. We decreased loan origination fees to 0 percent. We put \$8 billion into specialized kinds of Pell grants, which were the SMART and American Competitiveness Grants for science, technology, engineering, math, and some critical foreign languages. That is a real need for this country.

If we do not address that need, we are going to have some difficult economic times in this country. So we said we have to get more young people involved in science, technology, engineering, and math. And we took care of the college portion of that, encouraging them with a smaller amount their freshman year, and then a little bit bigger in sophomore year, and a lot bigger in their junior and senior years if they would do science, technology, engineering, and math. That came to \$8 billion.

We also increased loan limits for freshmen and sophomores. We increased asset protection, and we increased auto zero to \$20,000. That is the income level up to which you automatically get a full Pell grant. So we did a number of things with the money for students. At that point in time we were criticized for a lot of things we did not do for students that could have been done, just as there will be criticism with this bill for things that could or could not be done.

I do think we arrived at a good solution, one that will work, one that I am hopeful and pretty sure the President is going to sign, that will make a difference for young people. But I do want to emphasize that we do need to finish that reauthorization package. Without that, a lot of this does not work. It sounds good, but it does not work. So let's get the whole job done.

Since 2004, we have extended the Higher Education Act eight different times. We have said: 'What we have now is good enough, so we cannot reach any other kind of a decision. So let's just extend it again.' I do not want to have a ninth extension. I want to get the job done.

There are some great things. We have hundreds of pages. The bill is that thick, for reauthorization, that does good things for students. This is the part we are talking about we have not done yet. This has stuff in it that needs to be done, and we can do it.

The agreement in the Senate on this was 95 to 0. You don't get more bipartisan than 95 to 0. I am pretty sure if the other five people would have been here, it would been 100 to 0. That is agreement. That is because this desperately needs to be done. I am glad the House is going to take a look at it. In fact, the chairman told me that they would be using this bill as a blueprint.

I assured him if he used that as a blueprint and took the wording that goes with it, it can be done reasonably. Around here we usually do not do that sort of thing, though, because each of us has to get a fingerprint on everything, and that slows down the process sometimes. But I suspect it will be fairly close to what we have done here. It needs to be done as soon as possible.

Now, I began my thank-yous earlier. I want to finish my thank-yous and my speech. Besides Katherine McGuire and Beth Buehlmann on my staff, I wanted to thank Ann Clough, Adam Briddell, Amy Shank, Ilyse Schuman, Greg Dean, and Kelly Hastings.

I would be very remiss if I did not thank the members of Senator KENNEDY's staff for their hard work and cooperation: Michael Myers, Carmel Martin, JD LaRock, Missy Rohrbach, and Erin Renner.

Finally, I would like to thank all of the members of the HELP Committee and their staffs for their hard work throughout this process. This has been one of the most contentious committees in years past. When we are working on education and health, this is one of the most cooperative committees in the Senate.

We do intend to make progress in all four of the areas that we work in. We got the pensions area pretty well wrapped up last year. There has been a little technical correction portion that we have to get done yet.

There are always different things in the pension area. But we made some significant changes in the labor area last year, too, that have come to light in recent weeks with the first change, the biggest change in mine safety in 28 years. We will be reviewing the tragedy that happened in Utah to see how that fits in with what we did or did not get accomplished and will look at future changes.

But it took us 28 years to make the first major change. It will not hurt if it gets to 24 or 28 months before we get the reports in that help us to analyze any other changes that we need to make.

Once again, I thank my colleague from Massachusetts, Senator KENNEDY, for his tremendous effort, his tremendous knowledge, his capabilities to explain and come through with the ideas, sometimes compromises, but quite often a third way of doing things. It makes a huge difference in the result.

I yield the floor.

TRIBUTE TO PAUL CAHILL AND WARREN PAYNE

Mr. KENNEDY. Mr. President, I pause for a moment today, with thou-

sands from across the country who have gathered in Boston, to remember the lives of two of our Massachusetts firefighters, Paul Cahill and Warren Payne, who were laid to rest yesterday and today in West Roxbury and Dorchester. A week ago, Warren and Paul, lost their lives in heroically combating a 4-alarm fire in West Roxbury. We proudly honor the memory of these two heroes who gave their lives so courageously and unselfishly in the line of duty. We are deeply grateful for their service, and we mourn their loss.

Paul Cahill was 55 and a father of three children. He had previously served in the U.S. Navy and he joined the Boston Fire Department in 1993.

Warren Payne was 53, and a father of two children. He had been a firefighter for 19 years, and was not scheduled to be on call that night, but he had agreed to help a friend.

Both Paul and Warren were men of immense bravery and dedication, and were committed to the lives and the well-being of their community. Each day they served our city, they were ready to place themselves on the front lines, and the people of Boston will never forget their outstanding service and the difference they made.

My heart is in Boston today with the firefighters from across the country, and especially those from Engine 30, Ladder 25 in West Roxbury. They did the job they loved to do. May God bless Paul and Warren, and all of their family and friends who have gathered in Boston to grieve for them.

TRIBUTE TO JOHN WARNER

Mr. KENNEDY. Mr. President, it is with a touch of sadness that I speak about my friend, the senior Senator from Virginia, JOHN WARNER, who announced last week that he will not seek a sixth term and will return to the Commonwealth he loves so well following the conclusion of the 110th Congress. We will miss our friend, our colleague, and one of our finest and most respected members.

JOHN WARNER is a true American patriot, who has spent his life serving the public good. From volunteering to serve in World War II at the age of 17, to his service as Secretary of the Navy and his years among us in the Senate, his life has been defined by a commitment of service to others.

First and foremost a Virginia gentleman, JOHN WARNER is also one of the greatest advocates our fighting men and women have ever had in the U.S. Senate, consistently supporting their interests regardless of the prevailing winds.

He was an extraordinary chairman of the Armed Services Committee, where he helped transform the Committee from a Cold War posture to a new focus on emerging threats, rapid technological changes, and asymmetric warfare. The changes he made helped usher the committee into the 21st Century. As his colleague on the committee for

a quarter century, I can attest to the unrivalled depth of his understanding of our Nation's military, and was grateful to have the opportunity to call upon him innumerable times over the years for his wise counsel.

In addition to his commitment and dedication to our military and to a strong national defense, JOHN WARNER is also the embodiment of the finest traditions of the Senate. Deliberate, thoughtful, and principled, over the past 28 years he has shown us all that we can disagree without being disagreeable, and that the demands of party must yield to the demands of the American people that we do our very best to support our armed forces in their all-important missions for our country and our future.

Time after time, he has demonstrated his courage, decency and high principles in the Senate, whatever the partisan passions of the moment. That is who JOHN WARNER is—someone who thinks long and hard about important decisions, and then does what he feels is right.

I am sure he and Jeanne thought long and hard about the decision to retire from the Senate, and I know it wasn't an easy call. He will leave enormous shoes to fill for the next person elected to serve the people of Virginia in this body.

I will miss serving side by side with JOHN WARNER in the next Congress, but I am grateful we will have him here in the Senate for the coming year, especially, as we work to find answers to the extraordinarily complex and dangerous situation we confront in the Middle East. I am sure that all of us admire him for his statesmanship and leadership.

And we are especially grateful for his friendship, which extended to my brothers Jack and Bobby as well.

We will miss him very much.

MORNING BUSINESS

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The senior Senator from Oregon is recognized for 10 minutes.

ADMIRATION FOR SENATOR KENNEDY

Mr. WYDEN. Mr. President, before he leaves the floor, we have seen with Chairman KENNEDY over the last 2 minutes why he is so admired by Senators on both sides of the aisle. We have seen how he has engineered critically important bipartisan legislation that helps our working families in the education area. We have heard him speak eloquently about fallen firefighters. We admire them so tremendously in Boston and across the country. Of course,