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WASHINGTON (NNPA) - With the signing of yet another historical piece of legislation, President Obama made good on his promise to make higher education more affordable and accessible for all Americans.

The Health Care and Education Reconciliation Act, enacted on March 30, strengthens the Pell Grant program, invests in community colleges, extends support for historically Black colleges and other minority-serving institutions, and helps student borrowers manage their student loan debt by capping repayments at 10 percent of their discretionary income. These efforts will be fully paid for by ending the government subsidies currently given to banks and other financial institutions that make guaranteed federal student loans.□

“By removing the bank’s middle men and eliminating millions of dollars in annual subsidies we are able to ensure that students have a more competitive and robust program for entering colleges and leaving them and going on to jobs not burdened so heavily by additional loans,” said Melody Barnes, director of the White House Domestic Policy Council.

In addition to increasing affordability, this legislation comes at a crucial time for HBCUs and predominantly Black institutions (PBIs), which will receive \$850 and \$150 million, respectively. The institutions typically bear the brunt of economic despair more than other colleges and universities. Doing more with less, HBCUs and PBIs are enrolling higher proportions of low- and middle-income students.

These much-needed dollars can be used to renew, reform, and expand programming to ensure that students at these institutions are given every chance to live up to their full potential.□

Several provisions in the bill, which Black lawmakers fought to include, will:

- Invest \$35 billion over 10 years to increase the maximum annual Pell Grant to \$5,550 in 2010

New policy boosts students in need, HBCUs

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and to \$5,975 by 2017.□

- Invest \$2.55 billion in HBCUs and minority-serving Institutions to provide students with the support they need to stay in school and graduate.□
- Invest \$2 billion in a competitive grant program for community colleges to develop and improve educational or career training programs.□
- Save taxpayers \$61 billion over 10 year by allowing students to borrow directly from the government through the Direct Loan program, thus avoiding excessive bank fees. □

These benefits build on other provisions of the law that put the Pell Grant program on sounder footing by covering past and expected shortfalls and that invest new dollars in community colleges.

“The success of these institutions is not only vital to the success of African Americans, but it is also vital to the success of all Americans,” said John S. Wilson, executive director of the White House Initiative on Historically Black Colleges and Universities, in a teleconference this week. Strengthening HBCUs and PBIs, said Wilson, pushes the U.S. Department of Education closer to their goal set by President Obama last February, that “by 2020, America will once again have the highest proportion of college graduates in the world.

”□ He adds, “That is the goal that guides structure and context for all we’re doing.”□ Starting July 1, all new federal student loans will be direct loans delivered and collected by private companies under performance-based contracts with the Department of Education. According to the Congressional Budget Office, ending these wasteful subsidies frees up nearly \$68 billion which this new law reinvests back into students and into deficit reduction over the next 11 years.