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January 16, 2010



WE SEE A GREENER TOMORROW.

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Posted: September 22, 2009 05:36 PM

The American Graduation Initiative: Something Even The Banks Should Bank On!

What's Your Reaction?

A year after the collapse of Lehman Brothers, there is still widespread concern and healthy skepticism as to whether or not the financial industry has learned its lesson following the economic meltdown. If the banking industry's opposition to legislation that would reform the private student loan system is any indication, the lesson is being willfully ignored.

Earlier this year, President Obama proposed an overhaul of the lucrative role banks play in the student loan industry that would save taxpayers approximately \$87 billion. These savings would then be used to expand the Pell Grant Program, the federal financial aid program for students. This change would provide an additional \$75 billion in college scholarships for the neediest students. As importantly, there would also be \$12 billion allocated for the nation's community colleges. Community colleges now enroll almost half of all undergraduate students, but spend a fraction of what is spent on four year college students. President Obama characterized community colleges as an "essential part of recovery in the present, and our prosperity in the future."

The proposed program, the American Graduation Initiative, would enable community colleges to innovate and expand successful programs that improve educational and employment outcomes. It is designed to get more students to complete a degree, especially one in a high job growth area. It would also fund forward-thinking strategies to increase graduation rates and develop new online, open-source courses as educational pathways for students. In the first major federally funded community college construction project since the Johnson Administration in the 1960s, some \$2.5 billion would be earmarked to build new classrooms and laboratories to meet rising enrollment. The American Graduation Initiative is historic in scope, and could have an impact as great as the GI Bill did in helping get Americans a college degree and transforming our country.

The overarching goal is to graduate an additional five million Americans by 2020. At a time when our economy is dependent on a labor force that demands educations beyond the high school level, American competitiveness depends upon our success in educating our citizens. Indeed, business and professional leaders are unanimous in proclaiming that a college-educated workforce is critical to sustaining our nation's progress and prosperity -- and to maintain world preeminence -- in the 21st Century.

Enrollment is skyrocketing at community colleges across the country as more and more people realize their value and quality. Community colleges attract traditional aged students who like the convenience and low cost, workers who have lost their jobs or fear losing them, veterans who need a new start in civilian life, and those who want to upgrade their ability to survive in this tough economy. For the first time ever, community colleges from Florida to California have had to shut their doors to students because of enrollment increases.

So, the American Graduation Initiative is a truly necessary program for our country - money in the bank so to speak.

But, let's not send this money *to* the banks. Incredible as it may seem, the very same industry that has taken billions of dollars in bailout money from the federal government is not ready to loosen its grip on the cash cow that is the private student loan industry. Big bonuses still thrive in the financial industry, while individuals who need money to amend mortgages or go to college are still hoping for some stimulus money to reach the real people.

In fact, quietly but effectively the banking lobby in D.C. is visiting Congress to oppose the legislation that would provide the funding for enhanced student financial aid and the American Graduation Initiative.

It seems obvious that banks, and other private lenders, have only their own self-interest in mind. They seem to play by the standard of "heads I win, tails the taxpayer loses." They collect hefty fees on loans that are, in essence, risk-free because the government guarantees repayment up to 97 percent.

Last week the House passed the legislation that would end this subsidized loan program. The Senate has not scheduled its hearings and vote and will come under heavy pressure to dilute the student loan changes.

Let's change the odds for the working families in our country. We would be better served by putting the billions that would be saved under the President's plan in the hands of taxpayers, by giving students more loans and investing in our public community colleges.

As President Obama said when he proposed the American Graduation Initiative: "Time and time again, when we placed our bet for the future on education, we have prospered as a result." Congress should take the odds. For me, it's a sure-fire bet.

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