Wanted: Real policies to relieve the nation’s debt crisis

THIS YEAR, AFT On Campus is trying something new. We are moving from a bimonthly newsletter to a quarterly magazine format. The shift in frequency opens the door for in-depth looks at four topics that are changing the world in which our members work:

- The Student Debt Crisis
- MOOCs—Massive Open Online Courses—and Disruption in Higher Education
- Confronting the Deprofessionalization of Faculty and Staff
- Jobs, Jobs, Jobs: How the Focus on Employment Is Affecting the Mission of Higher Education

This issue explores student debt and the country’s commitment to finding solutions to the challenge of college affordability. The student debt crisis has been fueled by decades of state disinvestment in higher education, as our lead story documents (page 2). Yet hitting the $1 trillion mark last year on the nation’s student loan debt load set off alarms, as families considered the enormity of a problem not theirs alone. The burden on borrowers is unfair—and symptomatic of the growing chasm of inequality between the haves and the have-nots.

While baby boomer parents went to college at a time when they could get degrees with little or no debt, they and their children now feel the rug’s been pulled out from under them. And for aspiring first-generation college-goers, the message of “work hard, go to college, be saddled with a lifetime of debt” can feel like a cruel con that actually limits opportunity. For Latino students, who are wary of getting overextended financially, as Deborah Santiago explains on page 12, debt aversion influences their college choices.

Student debt erodes not only individual opportunity. President Obama has put forth proposals, not all of which we can endorse (see page 15). The ultimate question for the nation is, do we have the will to do what needs to be done to keep college affordable and accessible for all?

The editors would like to hear your reactions to this issue, and suggestions or directions for the upcoming ones. Write to us at bmckenna@aft.org.

—BARBARA MCKENNA
Drowning in debt to get a degree
RANDI WEINGARTEN, AFT PRESIDENT

Higher Education in America is caught in a vise of competing realities. While not the only road to success, access to higher education is vitally important for individuals to be able to participate in today’s changing economy and for the United States to maintain its global competitiveness. Indeed, the number of Americans with a college degree has reached a new high. Yet structural disinvestment in higher education jeopardizes both quality and access. And skyrocketing costs have put postsecondary education out of reach for many people, which threatens to exacerbate America’s already vast economic divide.

Colleges, universities and community colleges are centers of innovation, cultural hubs and engines of economic growth. In short, they are a tremendous public good. But years of inadequate public financing has shifted the costs associated with these public institutions to individual students and their families.

Public investment in higher education is at its lowest point in more than a quarter-century in inflation-adjusted terms, causing deep cuts to vital academic programs and student support services. It has also altered the academic workforce; more than 70 percent of professors at our public institutions are inadequately compensated contingent faculty who, despite their commitment to providing the highest-quality education to their students, often lack the professional supports to do so.

While we should celebrate the growing number of students attending college, we must also support them. Nearly half of all students who enroll in an institution of higher education do not receive a credential within six years. The figures are even starker for African-American and Latino students. Risk factors for noncompletion range from inadequate income and home support, to work and child care obligations, to insufficient academic preparation. Decimation of programs that support at-risk students has aggravated these challenges. The AFT and our members are working to change this—by both pressing for supports in college and working to transform the preK-12 education system so that all students are prepared to pursue college and career. But the issue of crushing student debt remains.

Over the past decade, tuition and fees for in-state students at public four-year colleges and universities increased at an inflation-adjusted average rate of 5.2 percent per year. Yet there has been a steady decline in need-based financial aid, making it harder for middle-class students—and especially low-income, first-generation, and other deserving but disadvantaged students—to afford college without accruing huge debt. For a growing number of students, loans have become the primary or only means of paying for their education. Student loan debt exceeds $1 trillion, bypassing credit card debt. Yet graduates are entering one of the weakest labor markets in recent history: 1 of every 2 recent graduates is either unemployed or underemployed.

For many people, this slams the door shut on their dreams of pursuing—much less completing—a college education. For others, it can mean decades of crippling debt. Many defer starting a family, buying a home or saving for an economic emergency. Easing the debt burden of current borrowers would boost the struggling economy by freeing up consumer dollars that are currently servicing this debt.

Yet, this summer, things took another turn for the worse. Interest rates on many federal student loans doubled on July 1. And while Congress did pass the Bipartisan Student Loan Certainty Act (lowering both subsidized and unsubsidized undergraduate Stafford loan rates to 3.86 percent), many have called the bill a short-term solution.

The AFT will continue to back the approach taken in the Student Loan Affordability Act introduced by Sens. Jack Reed (D-R.I.), Tom Harkin (D-Iowa) and Harry Reid (D-Nev.). Sen. Elizabeth Warren (D-Mass.) has pointed out that banks, including financial institutions that profit from servicing student loans, already can borrow money at considerably lower interest rates than those for student loans.

I joined hundreds of concerned students and educators in calling on Sallie Mae, the nation’s largest private student lender, to increase transparency about its lobbying, such as its opposition to bills that would provide consumer protection for student borrowers. Thanks in large part to this grass-roots effort, Sallie Mae became the 50th corporation to publicly drop its membership in the American Legislative Exchange Council this past September.

Our colleges and universities are a public good and must be adequately publicly funded. While students should assume their share, Congress must go further to ensure that runaway costs don’t rob them of their dreams.
TODAY, MANY STUDENTS face a stark choice: go to college and acquire a mountain of debt that will come due right after graduation, or forgo college altogether. Sadly, this choice is the primary one confronting those who stand to gain the most from higher education: the economically disadvantaged and people of color.

Nationwide, the mountain of student debt has climbed to more than $1 trillion. We cannot solve the nation’s education debt problem without confronting the other challenges that beset our system of higher education. First among them is the pattern of states stepping back from investing taxpayer dollars in public higher education. In a report released this summer, "On the Backs of Students and Families: Disinvestment in Higher Education and the Student Loan Debt Crisis," the AFT shows that this massive, decades-long disinvestment has:

- Driven tuition cost increases, without necessarily improving quality;
- Decreased the amount of resources necessary to help students gain access to, persist in and complete their college education;
- Decreased the amount of need-based aid available for the neediest students, as institutions steer scarce resources toward students who will help pad a school’s measured outcomes;
- Increased the search for ways to deliver higher education on the cheap with technological fixes of dubious educational value; and
- Provided fertile ground for exploitative for-profit education providers who prey on those who are unable to access public higher education.

Worst of all, the disinvestment in higher education has thwarted the very foundation our modern system of education rests upon—opportunity.

State support hits a 25-year low

State and local governments have decreased their levels of investment in public colleges and universities to the point where state funding accounts for only 10 percent or less of many public universities’ budgets. Community colleges, which serve nearly half of all college students, are experiencing the most dramatic cuts.

According to the annual State Higher Education Finance report for fiscal year 2011, “educational appropriations per FTE [full-time equivalent student] (defined to include state and local support for general higher education operations) fell to $6,532 in 2010, a 25-year low in inflation-adjusted terms, and fell further to $6,290 in 2011.”

BY CRAIG SMITH

STATE POLICIES leave families with few good options

ILLUSTRATIONS BY MICHAEL GLENWOOD
Demos, a public policy group, sheds further light: “While state spending on higher education increased by $10.5 billion in absolute terms from 1990 to 2010, in relative terms, state funding for higher education declined. Real funding per public full-time equivalent student dropped by 26.1 percent from 1990-1991 to 2009-2010.”

It is, of course, important to be able to quantify in dollars the cuts being made in higher education, but it’s also important to keep in mind what these vanishing dollars represent: a reduction in the academic support staff, the services and programs they provide, and the support for instructional staff that is necessary for students to succeed.

Evidence suggests that, unlike in the past, recovery from the deep cuts being felt today could be impossible, given projected enrollment levels for the next decade and the change in legislative priorities that is shifting the cost burden onto the backs of students and families.

**Tuition and fees are going up**

During academic year 2010-11, in-state tuition and fees at public four-year colleges rose by 8.3 percent, out-of-state tuition and fees at public four-year colleges increased by 5.7 percent, and in-state tuition and fees at public two-year colleges rose by 8.7 percent. This is just one slice in a years-long trend of increases in tuition that have exceeded the rate of inflation, in some cases by double digits.

And yet, even with skyrocketing tuition and record enrollments, colleges have not been able to fill the gap caused by state disinvestment. The Delta Cost Project, an organization that studies college costs, notes that “for the majority of institutions, increases in tuition do not translate into increases in spending. In fact, at most public institutions, tuition increases attempt to compensate for lost revenues from state and local budget reductions, but actual tuition increases are less than half of the actual reduction in state and local appropriations.” In short, college has become more expensive for students and education of their students and the mission of their institutions as their tenure-track colleagues, yet they receive a fraction of the compensation, few of the employee benefits, and entirely too little respect for doing the same work. Disinvestment has left a majority of college educators without the professional supports they need to provide the highest-quality education to their students.

The students who are most hurt by this are economically disadvantaged students and students of color. Because of the radical demographic changes in the United States, the challenges move beyond questions of economic competitiveness and encompass fundamental questions about civil rights and racial justice.

According to Demos, in 1990, 71.7 percent of young adults were white, 13.5 percent were African-American and 11.6 percent were Hispanic. By 2010, Hispanics accounted for 20.1 percent of the young adult population; African-Americans, 12.3 percent; and whites, 57.2 percent. That’s a 93.3 percent increase for Hispanic young adults from 1990 to 2010; by 2050, the U.S. Hispanic population will make up 29 percent of the overall U.S. population, compared with 14 percent overall in 2005.

This is especially significant because Hispanic students tend to have greater financial need, face more obstacles to college completion because they are often first in their families to go to college, and be less prepared academically thanks to inequities in the K-12 system. The inability or unwillingness to address the reasons that students—especially students of color—fail to attend, persist in and complete college not only hampers the nation’s global competitiveness, but serves to reinforce the de facto segregation of a large and growing number of people in the United States. As Deborah Santiago notes in “Pragmatism Rules,” which begins on page 12, investing in programs to support first-generation college students pays off for them and for the country.

**Riding the college completion bandwagon**

In recent years, as more and more people have gotten the message about the importance of college, people are also focusing on the end goal, completion. College enrollments have soared, partially due to a poor economy, but also because of the national goal President Barack Obama set when he first took office—to significantly raise the college completion rate. By 2025, the United States should have educated 20 million more college-degree and certificate holders in order to ensure our economic stability and status as a global competitor.

**The combination of the rush to implement the completion agenda with the states disinvesting in public higher education has led to a host of questionable practices.**

Continued on next page
However, despite the increase in college enrollments, college completion rates are stagnant. If the United States stays on course with current college completion rates, we will graduate only 8 million more college-degree and certificate holders between 2012 and 2025. Anthony Carnevale, an economist with the Georgetown Center on Education and the Workforce, contends that this number falls short by 12 million.

Getting more students to complete their degrees is a worthy goal; however, the combination of the rush to implement the completion agenda with the states disinvesting in public higher education has led to a host of questionable practices. These include performance-funding mechanisms that hinge a percentage of state higher education appropriations on how well institutions increase their graduation rates, accountability systems that emphasize learning outcomes and other high-quality assessment mechanisms, and differential tuition price structures that have dampened enrollments in engineering and the sciences. Institutions have created marketing plans to attract the higher tuition payments from out-of-state students. Underfunding or entirely cutting student support services, especially those that help first-generation and at-risk students, is another popular cost-savings measure. And as technology has evolved, it has been increasingly eyed as a cheaper and more efficient way to deliver instructional services and credentials to students.

While many look for the magic bullet to achieve student success, those academics on the ground know what’s required. We lose the vast majority of noncompleters within the first year of college. Students like the Young Invincibles (see page 8) have been clear about the supports they need to succeed: They need better financial aid assistance through grants and scholarships, as well as better financial counseling, more informative and accessible counseling and advising, more accessible faculty (a largely contingent faculty workforce undermines this), smaller class sizes and more course offerings, a culture of encouraging students to seek guidance and help, and better orientation programs.

The path forward

The AFT’s report on state disinvestment calls for a national movement to steer policies in a new direction and to reclaim the promise of affordability in higher education. These policies will:

- Relieve the debt burden for current borrowers;
- Promote debt-free higher education for current and future students;
- Enhance state funding for public higher education;
- Prioritize academic needs in the budgets of colleges and universities; and
- Eliminate the fraud and abuse that allow borrowers to become trapped in debt.

Read the report at go.aft.org/studentdebt.
Gap: for-profit institutions. The percentage of all undergraduates enrolled in the for-profit sector increased from 2 percent in 1990 to 11.8 percent in 2008-09. And because federal student financial aid is the main source of revenue for the for-profit sector, students at for-profit schools account for close to 25 percent of the Pell Grant dollars and 25 percent of federal student loans backed by taxpayer dollars, even though for-profits actually enroll only 10 percent of students in higher education. For-profit schools; for-profits took in 37 percent of all federal dollars are used to fuel large profit margins—that allow for-profit colleges to devote huge sums of money to their advertising budgets.

Why is this trend concerning? These federal dollars are used to fuel large profit margins—on average 19 percent—that allow for-profit colleges to devote huge sums of money to their advertising budgets.

The road forward
AFT members are committed to advocating for better support of higher education and reversing the trends of disinvestment and unsustainable student debt. It is impossible to address the challenges of access, persistence and completion in our colleges and universities without dealing with the structural problems in public higher education financing. We must stop balancing our state and institutional budgets on the backs of our students and families.

Craig Smith is director of AFT Higher Education and a co-author of “On the Backs of Students and Families: Disinvestment in Higher Education and the Student Loan Debt Crisis.” Read the whole report at go.aft.org/studentdebt.

Endnotes
2. www.demos.org/publication/great-cost-shift-how-higher-education-cuts-undermine-future-middle-class
3. www.demos.org/sites/default/files/publications/thegreatcostshift_0.pdf
8. Ibid.
10. www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/undereducatedamerican.pdf

‘A big stop sign in my life’

JOHN CASEY, 35, has a Ph.D. from the University of Illinois-Chicago, where he is now a full-time lecturer in the English department. He is paying back $16,000 in Perkins loans and $48,000 in Stafford loans, taken out to pay for graduate school.

“[Debt] prevents me from purchasing a car. It’s also been a factor in planning my wedding. My fiancé has undergraduate and graduate school debts too. We’d like to buy a house some day. Paying down student loan debt gets in the way of those kinds of life events.

“I have to seriously consider whether I can afford to continue teaching and still pay off these debts. My salary as a lecturer is much less than I would earn as a tenure-track professor. Before taxes, I earn $30,000 a year. Luckily, my Stafford loans have very generous repayment terms. Right now, I’m in an income-based repayment plan. But I’m just paying off the interest. The principal still sits there like a big stop sign in my life. If I could afford retraining, I’d switch careers—take coursework in finance or IT. Even an extra $1,000 to $2,000 a month in my paycheck would dramatically change our lifestyle.”
Drag down the economy

The clear and present danger of the $1.2 trillion student loan debt crisis

BY SCOT ROSS

IN THE UNITED STATES TODAY, more than 37 million Americans are saddled with $1.2 trillion in student loan debt.

These people all have stories about what this burden means to them and their families—stories like this one, shared by Patricia, a teacher from upstate New York:

I am increasingly discouraged with my student loans and the increasing pressure I feel in my day-to-day life. I went back for my master’s degree for special education. … Unfortunately the schools had a wage freeze the year I was hired. I am losing several thousand dollars working for a district that refuses to pay their teachers, however student loan companies do not consider any of this. I am unable to pay for my loans. I have been out of school for years, but I cannot save for my own children. I am forced to get a master’s degree for my field, however my field does not pay me enough to pay back my loans and have money for our needs. My interest keeps piling up—I will never pay for this debt. How am I supposed to be a contributing member of society when I can’t keep my “financial” head above water?

Patricia’s story is, sadly, not unique. And whether or not one has student loan debt, we ignore stories like these—and the staggering cost of the student loan debt crisis to our society—at our peril.

Punished for doing the right thing

Student loan debt is now the second-largest consumer debt in America, more than credit cards or car loans, exceeded only by home mortgage debt. Even more ominous is the rate at which student loan debt has been acquired over the last decade, and it is projected to continue to grow without serious fundamental reform.

The average college tuition has doubled in just the last 12 years, and student loan debt has climbed, going from $200 million in 2000 to $1.2 trillion today, according to the Consumer Financial Protection Bureau. Borrowers have done the right thing. They worked hard to get their education or job training, and took on the responsibility for paying for it.

But American families find themselves squeezed by skyrocketing tuition, drastic cuts to state support for public universities and technical colleges, and profiteering by big banks and even the federal government regarding the interest on student loans in a broken higher education financing system.

Instead of earning a ticket to the middle class with their education, borrowers have found themselves with multidecade “debt sentences.”

Why does it matter?

Kevin Conroy, president and CEO of tech startup Exact Sciences Corp., identifies lost entrepreneurship and job creation as one critical reason state and federal elected officials need to act immediately.

In this latest business venture, Conroy leads a team of 95, many recent college graduates, who developed a breakthrough, non-invasive colorectal cancer-screening test that awaits FDA approval. Previously, Conroy was president and CEO of Third Wave Technologies. During his tenure at Third Wave, the company completed a clinical trial of, and applied for and received FDA approval of, an innovative test for the detection of HPV, the cause of virtually all cervical cancer.

Conroy says, “I know from my experience that the talents and skills of our highly educated, highly motivated next generation can lead us into a new era of economic prosperity propelled by the creation of more family-supporting jobs.” But, he continues, “The real loss to our nation is that, because of the unrelenting squeeze of their student loan debt, many of these entrepreneurs don’t strike out on their own. Ideas are not pursued. Companies are not built. Jobs are not created.”
The economic burden
The student loan debt generated under the current system isn’t just preventing cutting-edge entrepreneurs from making the next big scientific advance. It is keeping borrowers from achieving their share of the American dream and dragging down our entire economy.

Instead of earning a ticket to the middle class with their education, borrowers have found themselves with multidecade “debt sentences.”

Original research conducted by One Wisconsin Now’s education and research arm, One Wisconsin Institute, revealed the devastating impact of student loan debt on individuals and the economy. A comprehensive financial survey of more than 61,000 Americans found that:

- The average length of repayment for all those reporting student loan debt is 21 years, ranging from 17 years for those with some college but no degree, to up to 23 years for borrowers with graduate degrees.
- Rates of home ownership were 36 percent lower among individuals still paying on student loans versus those who have already paid off a loan across all income levels.
- For individuals reporting solid middle-class incomes of $50,000 to $75,000, those still paying off their student loans report home ownership rates 28 percent lower than those in the same income range who have already paid off their loans. In the $75,000 to $100,000 income range, loan payers’ home ownership rates were 25 percent lower than nonpayers.
- Across all income levels, individuals who have paid off their student loans are more likely to have purchased a new rather than a used vehicle in the last 10 years.
- For those currently repaying a student loan, more than 63 percent purchased a used vehicle instead of a new vehicle, and the data suggests an aggregate impact of $6.4 billion in reduced new vehicle sales annually.

While the recent congressional action to set the interest rates on federal student loans has been sold by some on the right as the end of the student loan debate, nothing could be further from the truth.

Under the new federal legislation, interest rates for borrowers using federal Stafford loans in the fall will be below the 6.8 percent they rose to on July 1. But the interest rates will be allowed to rise in the future, in some cases as high as 10.5 percent. In fact, rates are projected to exceed 6.8 percent within five years, costing borrowers billions more in interest. And there are no provisions to address the existing $1.2 trillion in student loan debt.

Promising signs from the feds
In a hopeful sign that student loan debt will remain on the policy radar, President Obama has unveiled a college affordability agenda that expands income-based repayment options to millions of borrowers. And there are more commonsense steps that can be taken by state and national policymakers today to help stem the crisis.

Borrowers aren’t asking for a bailout. But they deserve a system that treats them fairly and helps them to be productive participants in the economy while repaying their loans. For example, we ought to allow people to refinance their student loans, like they can a mortgage, and to deduct the interest on their student loans from their taxes. And we should limit tuition increases to the rate of inflation and expand financial aid to eligible students.

Education is a public good
As citizens, we must demand recognition that public education is a public good and that, as such, it deserves to be publicly supported. And our leaders in Washington, D.C., and the states must recognize the clear and present danger of student loan debt to our economy and to the hopes and dreams of millions of hardworking Americans.

Without a sense of urgency and action on real, comprehensive solutions, we run the very real risk of seeing the $1.2 trillion student loan debt crisis become a $2 trillion economic catastrophe.

And that is something no one can afford.

Scot Ross is the executive director of One Wisconsin Now and One Wisconsin Institute. These are Madison, Wis.-based research, education and advocacy organizations affiliated with the national ProgressNow network. For more information, go to www.onewisconsinnow.org or follow them on Twitter, @onewisconsinnow, or on Facebook, www.facebook.com/onewisconsinnow.

‘Riding the tiger’

STEVEN McALLISTER is a doctoral candidate in the Institute of Ecology and Evolution, University of Oregon, just months shy of completing his degree. He owes $40,000 on loans taken out for his undergraduate study at the University of Colorado and UO, and $20,000 on loans for graduate school at UO.

“We’re told all throughout our school years: ‘You’ve got to get a degree. If you come from a family with no money, take out a loan. Don’t worry. Jobs will rain down from the sky.’ That is what they told us. Now, the employment picture for advanced degrees in the sciences is so bad, my chances of getting a job that will pay this off are slim. I don’t expect to pay off my debt before I’m 40 or 50. My partner has an equivalent amount of debt. For the two of us, it’s $1,500 a month. We are not in a position to buy a house. Starting a family could be impossible.

“If I could go back in time, starting with the advice I received as an undergraduate, what I’d tell myself now is to ignore the advice, to take a few years off to work and save money, to go to a community college. The advice I got was intended to get me to take on debt. I got no advice on how to avoid it.

“Undergraduates today are waking up and realizing that the degree will not be the all-expenses-paid path to riches in the future. Yet, they feel they have to keep riding this tiger to get to the other side. It’s frustrating because they feel they are slipping down a hole they can’t get out of.

“Now I realize I don’t want to work as a professor in a research program. I want to focus on teaching, which I love. But the pay is less. I’ll have to take a significant financial loss to teach. Can I afford that?”
Congress must listen to students and families

BY JENNIFER WANG

This is an important year for higher education. As folks came back to campus this September, many students had a different student loan interest rate than they had last fall, because Congress passed a recent law that ties student loan interest rates to the market. Although the law prevented rates from doubling this year, they could more than double just a few years down the road. Many don’t realize that an even larger fight is upon us, and that it is an opening to make things better.

At the end of this year, the Higher Education Act is set to expire. The law governs everything from Pell Grants to federal student loans, and from federal work study to college access programs for high school students. Since 1965, when President Lyndon B. Johnson signed the Higher Education Act into law, the act has been reauthorized nine times, most recently in 2008. The reauthorization process is arduous, but it is one of the most effective ways to bring about real change to higher education policy. That means, in the coming months, students, advocates and other stakeholders across the country have an opportunity to urge Congress to improve higher education for all.

We should strive to foster the ability of all people to have a high-quality and affordable postsecondary education that prepares them for the workplace, inspires them with new ideas, and gives them the tools they need to be successful. Today’s young people understand that getting a postsecondary degree is essential to their own success and to grow our economy. But many barriers stand in their way.

Returning value to Pells

Declining public investment has fueled tuition hikes and made it harder to attend college. States spent an average 28 percent less per student on higher education this year than they did in 2008, when the Great Recession hit. As a result, tuition at four-year public colleges nationwide rose 27 percent in the last five years, and in some states, it spiked more than 70 percent.

Likewise, grant aid that historically financed a significant share of tuition now covers a fraction of college costs. In 1980, the Pell Grant, a grant that makes it possible for many low-income students to go to college, covered more than half the cost of a typical four-year public college. Today, the maximum Pell Grant covers less than one-third of the cost of college at a typical four-year public school, the lowest level since the start of the program.

With grant aid falling and tuition rising, students across the country struggle to make up the difference by taking out loans. About two-thirds of all college students now graduate with loans to repay. As a nation, we hold more than $1 trillion in student debt. Thirty-seven million people have outstanding student loan balances. More worrisome, more than 5 million student debtors have at least one past due student loan.
account, and of our total outstanding student loan debt, $85 billion is past due. Student debt not only threatens the economic security of individual borrowers but also creates a drag on our economic recovery.

In addition, at a time when the nation is sinking deeper in debt, it is all the more important to provide students with the tools and information they need to assess their options. Yet students lack basic information about school outcomes. They never know if the major they’re studying at a particular school will lead to a job that will allow them to pay off their loans.

Simplifying the aid process
Another challenge students face is the federal financial aid system’s unnecessary complexity. Applying for financial aid through the Free Application for Federal Student Aid (FAFSA), a 10-page, 106-question packet, leaves many confused and deters some students from even applying for aid. An estimated 2.3 million students in 2007-2008 who would have qualified for financial aid did not file. One out of 4 lower-income students who did not file the FAFSA would have qualified for federal grant aid that they would not have had to repay.

The good news is that, despite all the challenges, we can fix a number of problems through the Higher Education Act reauthorization process. Congress can make major changes to college access and affordability in the very near future if its members can overcome their differences and get down to business.

For instance, Congress can expand the Pell Grant and lock in funding to protect it from future cuts. We know Pell works for low-income students because a $1,000 increase in financial aid boosts retention by 2.8 to 4.1 percentage points.

Finally, Congress can require schools to provide students with information about the employment rates and incomes of graduates to help prospective students make the right choices for themselves and their families.

By including these reforms in the Higher Education Act, we could make education more accessible for millions of young people. Good ideas are not enough, however. Current students, graduates paying down their debt, educators, and folks concerned with the state of higher education in America must demand that Congress address our concerns. For the process to work, a higher education overhaul should be driven by the people who need it most: students and families.

Jennifer Wang is policy and advocacy manager of Young Invincibles (younginvincibles.org), a national organization committed to amplifying the voices of young adults ages 18 to 34 and expanding economic opportunity for that generation.

Endnotes

We know Pell works for low-income students because a $1,000 increase in financial aid boosts retention by 2.8 to 4.1 percentage points.

student debtors with loans in repayment who are defaulting or in forbearance.

Jose Cabrera teaches at a community college in Northern California.

‘Running with weights attached to their ankles’

JOSE ANTONIO CABRERA is a chemistry instructor at San Jose City College and a member of the San Jose/Evergreen Faculty Association.

“A large fraction of the students I serve have financial struggles that hamper their academic performance. Many do not possess the financial collateral to qualify for a loan. Others do not have legal status in this country. As undocumented students, they remain in the shadows and have little to no financial support; they are clearly at a disadvantage. I teach in one of the STEM (science, technology, engineering and mathematics) fields. It’s challenging. … Imagine trying to learn this material without the resources required by the instructor—textbook, calculator, laboratory manual or software to complete online homework. The result is that students who ‘have not’ are behind even before the semester begins. These students are talented, dedicated and able contestants in the academic race, but are running with weights attached to their ankles. Some students are not even aware that there is a race.”

Jose Cabrera teaches at a community college in Northern California.
The key here is that the Oregon plan requires students to pay their future income back to the state for decades to come—but does not obligate the state to continue its investment.

Many people are seeking an affordable public option for higher education and are understandably excited when a new one seems to appear. This is encouraging—appetite for real change is required in order to make any progress. But beware: Not all plans claiming to make higher education “debt-free” will actually succeed at their goal. Higher education finance is incredibly complex and full of economic oddities, and a troubling conflation of price and quality can create many unintended consequences.

To illustrate, let’s take a recent example from Oregon, where the Legislature rapidly passed a bill called Pay It Forward (HB 3472) that aims to “provide access for all Oregonians to a debt-free degree and protect funding for public higher education.” Specifically, the bill directs the Higher Education Coordinating Committee to examine and implement a Pay It Forward pilot program and a tuition freeze.

Pay It Forward is an income-based repayment plan (or what some call a “human capital contract”), modeled on similar efforts in Washington state and California, that waives upfront tuition costs for students, instead requiring students to pay 3 percent or more of their income for 24 years to the state (0.75 percent for each year of college attended). Its authors, who include a longtime progressive activist and numerous students intimately acquainted with the near-impossibility of financing college today, are remarkable people who deserve credit for trying to change the status quo.

But the plan is deeply flawed as a strategy for pursuing a genuinely affordable public option because: (a) it does nothing to ensure that states and institutions become true part-
ners in the effort to contain costs, and (b) people with the greatest existing advantages can and will easily exploit it, reaping the benefits of public higher education while paying none of the costs.

**Avoiding the real problem—costs**

Oregon is getting a remarkable amount of praise for this plan, and undoubtedly its legislators are thrilled. The plan calls for the state to continue to invest in public higher education going forward, the part of the deal that is arguably most critical. But the real “pay it forward” in the plan is the goal that today’s students will create a “stable funding stream” for tomorrow’s students—relieving the state of the need to do so. The plan’s authors call it a plan of “shared responsibility.” Given that they are students, it is likely they mean to imply that the state will do more to participate. But the state in this case may forecast the opposite based on its perception of students’ willingness to do even more to pay for college themselves.

After all, Oregon has taken steps in recent years toward the privatization of public higher education. The share of general fund monies going to higher education in Oregon declined from 17 percent in 1997 to 5.8 percent in 2009. Nationally, Oregon falls in the bottom 20 percent of appropriations per full-time equivalent student. Moreover, Republicans have tried to exert less direct financial oversight and administration of public universities in the state by altering the governance structure, which could lead to further cost escalation. But this isn’t unusual these days, as most states seek to justify their disinvestment in higher education and look for ways to take it further. What better evidence that the state could get away with doing even less for students than seeing those same students agree to cover the costs themselves, out of their future income?

Lest this sound overly cynical, consider the case of Virginia, where the flagship public university assumed that by doing more itself, state support would increase. In fact, the more financial independence the university took on, the less support it got—students and families pay a larger fraction of college costs in the state than ever before.

The key here is that the Oregon plan requires students to pay their future income back to the state for decades to come—but does not obligate the state to continue its investment. This is unsurprising; since their introduction by economist Milton Friedman, these “human capital contracts” have treated higher education as a private good, greatly undervaluing its externalities. While the state may not raise the repayment percentage paid by current students, it can certainly increase it for future students—and it will have every incentive to, as long as public objections remain relatively quiet.

In other words, some Oregon legislators seeking to spend less on higher education may be supporting Pay It Forward in order to simultaneously quell public outrage about student debt, garnering positive media attention and votes, while also increasing the fraction of higher education costs paid by students and families.

**Helping those who need it least**

The financial model of Pay It Forward rests on the assumption that graduates who go on to do well in life will pay back their income as required, in order to fund future students. Yet participation in the program is optional. We all know what that means: Students who predict high future earnings will opt out, and some may choose to avoid the public sector entirely. This free-rider problem will drive up the costs for everyone else, or risk dramatically reducing funding available to public colleges and universities. This will have the greatest consequences for students from the poorest families.

In addition, asking the same percentage of income from students with vastly different future income profiles creates a large distortion. At minimum, students attending community colleges and public comprehensives should face a different percentage than those attending selective institutions.

Finally, the plan needs to grapple with the fact that the students most suffering from debt today are those who began but did not complete college. This plan could help the most financially constrained students gain a foothold in higher education, but in order to do this, no repayment whatsoever should be required for the first year of college. Coupled with the federal Pell Grant, students could attend college for their first year with no debt and minimal working. That’s worth trying: If we cannot significantly boost enrollment rates with a policy like that, it will teach us something. It would facilitate the creation of advertising campaigns that have a real chance of competing with for-profits’ effective overtures to the same students. Right now, it is unclear whether Pay It Forward is going in this direction.

**Take what we have and make it work**

The United States already spends billions of dollars on higher education in an effort to make it affordable. It fails because of a lack of coordinated effort and commitment among all partners—in fact, rather than working together, some work at cross-purposes. For decades, the federal government has focused on promoting affordability, while states, colleges and universities have worked on different agendas.

Federal aid today is supplanting, rather than supplementing, state and institutional efforts, and that must stop.

Federal aid today is supplanting, rather than supplementing, state and institutional efforts, and that must stop. Redirecting existing federal aid to institutions and states in order to ensure that they are accountable for their actions would effectively reduce costs and offset the remaining expenses so that students would face a free or nearly free public option. That is but one strategy that aims to increase the public role and stem the rapid privatization of higher education.

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Pragmatism rules
For Latinos, wariness about debt may limit opportunity

BORROWING AGAINST your own future is a gamble. And, depending upon how risk-averse you are, taking out loans to pay for college can be seen as a direct expense rather than an investment. However, more students than ever are being put in the position to financially gamble on their unknown futures—yet our broader society is not also taking a risk and investing in these students’ futures. This is an unsustainable prospect for our students and society.

The number of students who take out loans to pay for college has increased significantly over the last 20 years. In fact, the percentage of undergraduates who took out loans to pay for college increased from 35 percent in 2008 to 40 percent in 2012. Further, the average amount of these loans has also increased significantly—from $5,000 in 2008 to $6,400 in 2012, according to the U.S. Department of Education’s National Center for Education Statistics.

Compared with other groups of students, Latinos are reluctant to take out loans to pay for college. Debt aversion affects the college choices, attendance patterns and persistence of Latino students in postsecondary education. In focus groups with Latino students, they say they are reluctant to take out loans because they don’t know how they will pay them back if they don’t complete, and they don’t think they can afford to take the chance.

Choosing responsibility
Debt aversion does influence college choices. Many Latino students would rather make their college choices based on their current economic situation and what they can afford while managing their family and personal responsibilities. They would rather “pay as they go,” and they honestly believe they can get a high-quality education wherever they enroll, as long as they are motivated. In these challenging economic times, Latinos’ pragmatic approach to financial investments reflects a balanced perspective and an assumption of responsibility for their educational decisions.

Why are Latinos generally more averse to taking out loans to pay for college than other
groups? Consider the following:

- Only about 60 percent of Latinos use commercial banking services, compared with 90 percent in the general U.S. population. Limited relationships with financial services generally result in limited knowledge of financial options for reasonable amounts of aid.
- Many Latinos are averse to incurring debt. For example, credit card use is very low among Latinos. Many view paying the interest on credit card debts or on loans as draining resources that would otherwise be sent to or spent on their families.
- In focus groups with Latino students, time and again students shared horror stories of friends or family members mired in student loan debt and unemployed. These stories influence Latino students’ and families’ financial decisions and increase their aversion to borrowing.

As a result of these very pragmatic attitudes toward paying for college, about half of Latino students enroll at community colleges. These colleges are more affordable and therefore can often accommodate a Latino student’s practical approach to funding his or her education. However, these institutions may have fewer resources available to provide necessary support services and advising than an institution that costs more. And given the lower cost, students who enroll at community colleges typically are eligible for less financial aid (generally, the higher the cost of an institution, the more financial aid offered to low-income students by the federal government and/or institution).

Further, about half of all Latino students enroll in college part time. While this attendance pattern lowers costs and allows them time to work while enrolled, enrolling part time also means they are not eligible for subsidized student loans from the federal government. Part-time students would only be eligible for unsubsidized loans from the government or private loans—loans they will have to start repaying right away or watch the interest continue to grow.

However, with increased costs and limited resources for financial aid to pay for college, more Latino students have had to choose either not to enroll, or to take out loans to attend and persist in college. The impact of this debt on the current and future generations of students overall, and Latino students specifically, is frightening.

As a society, we have made the compelling case to our students that postsecondary education is vital for their future success, and our students have accepted that message. In the last year alone, Latino students’ college-going rate (enrolling in college right after high school graduation) even surpassed white non-Latino students for the first time ever. But the reality that Latino students will be saddled with crippling debt in an attempt to achieve the American dream we have offered them only reflects our shifting priorities: Students are the only ones investing in their own future, and society sees their gamble as an individual expense and not a public investment.

As a nation, we have perfected the message that a college education is essential for individuals and our society to have an engaged and prosperous future. We now must work as diligently and effectively to ensure the message we have sent and the opportunities we provide are aligned to the investment we ask of our students.

Deborah A. Santiago is co-founder, chief operating officer and director of research for Excelencia in Education, a national nonprofit organization working to increase Latino student success in higher education.

Many Latino students would rather “pay as they go,” and they honestly believe they can get a high-quality education wherever they enroll, as long as they are motivated.
Easing the burden on families

The fight to curb the high cost of loans is just getting started

BY SEN. ELIZABETH WARREN

AS STUDENTS RETURN to campus this fall, they will continue to have access to low interest rates on their Stafford loans. But before they thank Congress for these lower rates, they should take a good look at the fine print. The new student loan law operates like a teaser rate mortgage, offering lower interest rates this year in exchange for higher ones just a few years out.

Even at the lower current rate, the government will make billions of dollars in profit from the student loan program. That’s right—rather than invest in young people, the government will be profiting off them. According to official government estimates, the federal government is set to bring in nearly $185 billion in revenue from student loans over the next 10 years. This is just plain wrong.

Teaser rates and high profits are the kind of practices we expect from large financial institutions, but not the federal government. We should be heading in the opposite direction—keeping rates low and not making a profit off student loans. It is in our best interest as a country to invest in students and keep college costs low. When students graduate from college with the skills they need to compete in the workforce, it helps our economy grow and become stronger.

Good solutions, stymied

There are many in Congress who fought to keep interest rates low for all students. In May, with rates on subsidized federal Stafford loans scheduled to double on July 1, I introduced the Bank on Students Loan Fairness Act to offer students who take on subsidized federal loans the same low interest rates that the big banks get through the Federal Reserve’s discount window for one year. Democrats made several other attempts to keep interest rates low, paid for by closing tax loopholes that benefit the wealthiest Americans. These bills would have kept student loan rates low and given Congress time to come to a long-term solution that would work for all students. But each time, Republicans blocked these proposals because they wanted to make even more money for the government off the backs of our students.

The vote on this year’s student loans may be over, but our fight to deal with the high cost of college loans is just getting started. People all over this country are trying to cope with outsized student loans—more than $1.1 trillion in total. This debt is threatening our economy and our future.

In addition, it is time to tackle head-on the rising cost of college. Congress is beginning the process of reauthorizing the Higher Education Act, the federal law that governs financial aid and other programs that support college students. This creates an opportunity to take up reforms that will meaningfully reduce the cost of college and ease the burden of student debt on our middle class.

In the long term, we need to eliminate government profits from student loan programs—period. We must refinance existing student debt to reduce the loan burden that is crushing our young people and dragging down our economy. But perhaps most important, we must reduce college costs so that American families can send their kids to a high-quality school without burying themselves in debt. Achieving these goals will take sacrifice—from Congress, from states and from colleges themselves. But it isn’t right to put so much of the burden on students and their families.

I’m in this fight for the long haul, and I’ll keep working with the president and my colleagues in the Senate to attack these problems head-on and find solutions that will provide a real shot at an education for all of our kids.

Elizabeth Warren is a U.S. senator from Massachusetts. She serves on the Banking, Housing, and Urban Affairs Committee and the Health, Education, Labor, and Pensions Committee.
IN AUGUST, President Obama took to the road to visit some colleges and unveil his ideas for making college more affordable. His plan focuses on pay for performance, promoting innovation and competition, and managing student debt.

Those who work on the frontlines of higher education can find some things to applaud in the president’s plan. For example, expanding the Pay As You Earn program and making sure borrowers are aware of flexible repayment options, such as public service loan forgiveness and income-based repayment plans, will help many graduates who are struggling unnecessarily with debt.

Other parts of the plan are distinctly disappointing. As we have pointed out, state disinvestment in higher education is a primary reason college costs have surged. President Obama would address this with incentives for innovation and competition, such as the Race to the Top: College Affordability and Completion program and the First in the World initiative—both competitive grant programs. Rather than bring the costs down for all, this approach will mean that some students are left with a more expensive college education through no fault of their own.

A worse theme in the White House plan is pay for performance. Obama proposes a ranking system both for families to find the right college for their students and for legislators to make funding decisions. The rankings would be based on three categories: access, such as percentage of students receiving Pell Grants; affordability, such as average tuition, scholarships and loan debt; and outcomes, such as graduation and transfer rates, graduate earnings, and advanced degrees of college graduates.

American higher education does not need another ranking system that oversimplifies complicated metrics. At the AFT, we’ve worked to expose fraud in college rankings and empower students to make choices about college based on their needs, not to further a federal policy.

More concerning still is the White House’s proposal to tie federal student aid money to institutional performance on these rankings. The White House states that students attending high-performing colleges could receive larger Pell Grants and more-affordable student loans. Does this mean a student who attends an average-performing college or a below-average college will see a reduction in his or her student aid?

The AFT stands for high-quality education. In our view, high-quality higher education is a rigorous education, with an engaging curriculum created by well-supported faculty experts. We fear that a ranking system will create perverse incentives that will devalue community colleges and nondegree-seeking learning, remove the incentives for colleges to admit students with disadvantaged backgrounds, and devalue teaching and learning in favor of what is easy to measure.

These are proposals that will need the approval of Congress to move forward. AFT members who are on the frontlines will need to be part of the discussion.

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**Good news and bad news**

Obama’s college affordability plan needs professionals’ input

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A typical professional development fund for part-time and adjunct faculty
Student Debt
A REPAYMENT SURVIVAL GUIDE

Borrowers have plenty of options for repaying their federal student loans, from loan forgiveness to income-based repayment schedules to deferments and forbearances. The programs are complicated and require some sleuthing. Below is an overview. All details can be found at studentaid.ed.gov or www.finaid.org/loans/RepayingStudentLoans.pdf. The AFT has tips on teacher loan forgiveness for those working in preK-12 schools at www.aft.org/pdfs/tools4teachers/CT-LoanForgiveness0310.pdf.

TEACHER LOAN FORGIVENESS

Teachers may be eligible for forgiveness of up to $5,000 if they teach for five years in low-income schools and meet other requirements, and of up to $17,500 if they teach in certain specialties. Federal teacher loan forgiveness programs include Stafford loans and Perkins loans. In addition, students who intend to go into teaching can apply for up to $4,000 in TEACH (Teacher Education Assistance for College and Higher Education) grants per year.

PUBLIC SERVICE LOAN FORGIVENESS

Through the PSLF program, eligible holders of direct loans can have the entirety of their debt (interest and principal) discharged after 10 years of full-time employment in public service. The borrower must have made 120 payments as part of the direct loan program, beginning after Oct. 1, 2007. Borrowers can consolidate their loans into a direct consolidation loan to qualify. Eligible public service jobs include some in higher education, including part-time faculty.

60%

According to a survey conducted by the American Institute of CPAs, 60 percent of student loan borrowers now have at least some regret over their choice of education financing, so be sure you understand the commitment you’re making and believe it is worth it.

REPAYMENT OPTIONS

Life happens. Here are higher-interest alternatives to making standard payments on qualified loans:

Graduated payments—Pay less now, more later, within the same 10-year repayment period.

Extended payments—Make lower monthly payments for up to 25 years.

Income-contingent repayment—Payments are calculated each year and are based on a borrower’s adjusted gross income, family size and the total amount of his or her direct loans. Payments continue for 25 years, after which the loan is forgiven, with possible tax charged on the forgiven amount.

“Pay As You Earn”—Given financial hardship, a borrower’s maximum monthly payments will be 10 percent of his or her discretionary income, the difference between adjusted gross income and 150 percent of the poverty guideline for the borrower’s family size and state of residence (other conditions apply). The loan will be forgiven after 20 years, with possible tax liability on the forgiven amount.

Income-sensitive repayment—Monthly payment is based on annual income, over the course of 10 years.

Income-based repayment—Given financial hardship, the maximum monthly payments will be 15 percent of discretionary income, the difference between adjusted gross income and 150 percent of the poverty guideline for the borrower’s family size and state of residence (other conditions apply). Payments continue for 25 years, after which the loan is forgiven, with possible tax charged on the forgiven amount.
Is student debt ‘good’ debt?

**YES**

Why quibble with $1M extra lifetime earnings?

BY STEPHEN J. ROSE

THERE ARE A LOT of misconceptions about student debt. Few note that 35 percent of students owe nothing when they graduate with a bachelor’s degree, and the often-cited average debt of about $26,000 is based on the 65 percent who have debt. Finally, only 1 in 250 bachelor’s degree holders owes more than $100,000.

The fact that, nationally, student debt now totals $1 trillion seems troubling, and some claim we are on the precipice of another crisis. But taking a loan for more education is an investment that usually leads to significantly higher future incomes, and massive numbers of defaults in the future are extremely unlikely.

The decision to get a four-year degree is based on increased earnings—over a 40-year career, those with a bachelor’s degree bring in $1 million more than those with only a high school diploma ($400,000 more for a two-year degree). Furthermore, more than a third of bachelor’s degree holders complete a graduate degree, increasing their lifetime earnings considerably more. So, it is not surprising that a 2009 survey found that 80 percent of recent college students answered yes to the question “Was your undergraduate education worth the cost?”

While the economy is indeed changing, there are many reasons to believe this will only increase the value of a college education. The claims that there are not enough good jobs for college graduates and that student debt defaults will be rampant are made by naysayers who have cried wolf many times before.

There are some (I estimate 1 in 6) who fail to translate their bachelor’s degree into a high-paying position. A smaller number (9 percent of 2009 college students, according to government estimates) will default on paying their student loans. Others with even modest levels of student debt may have to cut back on spending during their first years out of school. But overall, the decision to use debt to get a college degree is a very good one, and most parents and students understand this.

Stephen J. Rose is a research professor and senior economist at the Georgetown University Center on Education and the Workforce.

**NO**

Benefits are overstated; risks are downplayed

BY JOHN R. REYNOLDS

IT SEEMS HARD TO ARGUE against college student loans, one of our country’s most important tools to level the playing field. Nonetheless, student debt is bad debt because the reward-to-risk ratio differs greatly across racial and ethnic groups, and student loans are too often spent at for-profit institutions.

Educational economists often appraise the merits of student loans by comparing the earnings of bachelor’s degree holders with the earnings of those with less education. This overlooks the fact that most students who obtain federal student loans fail to finish a bachelor’s degree within six years, and many students default on their loans. Furthermore, the risks of dropping out of college and defaulting are significantly higher among students of color. Yet champions of student loans usually focus on the value of loans for the “average” graduate, and thus often overstate the benefits and downplay the risks.

Another reason to view student debt negatively is that an increasing proportion of loans are used to attend for-profit institutions with little public accountability. For example, University of Phoenix annually receives billions from federal financial aid programs. Or consider the commercial colleges with two-year degree programs like “pastry arts,” where student loan default rates reach 30 percent or more. These institutions often go unmentioned in discussions of student debt. Yet 1 in 10 college students attends for-profit schools, and among African-American and Hispanic students the proportion is double.

Loans undoubtedly increase access, but at what ultimate cost to attend what type of school? We do degree seekers no favors by masking the risks of student debt or by emphasizing benefits that only accrue to those who finish. This deception also harms most the students that federal loan programs are intended to help. Put simply, student debt is too often a bad investment when used to embark on unfinished degrees or attend for-profit schools with uncertain payoffs. And this type of debt appears to be on the rise.

John R. Reynolds is a professor of sociology and the director of the Pepper Institute on Aging and Public Policy, Florida State University. He is also a member of United Faculty of Florida/AFT/NEA.
Labor calls for action on student debt
Reclaiming the promise of affordable, high-quality higher education

AT A TIME WHEN Americans now owe more on student loans than on credit cards, the AFL-CIO unanimously approved a resolution sponsored by the AFT to support federal and state efforts to reduce crushing student loan debt and increase funding and access to need-based aid.

“No student should be shut out of college because it is unaffordable,” says AFT President Randi Weingarten. “If we believe that higher education is essential, then we have to stop disinvesting in it and make it affordable and accessible to every student.”

The resolution was approved at the AFL-CIO convention held in Los Angeles in September. AFT Vice President Sandra Schroeder, who is also the chair of the AFT Higher Education program and policy council, introduced the resolution, explaining why the labor movement needs to reclaim the promise of an accessible, affordable, high-quality higher education for all students.

“The truth is that there has been a massive and ongoing disinvestment in public colleges and universities that shifted the burden of college cost onto the backs of students and their families,” she said. “Tight-fisted legislatures cut college funding because they knew they could hike tuition to make up the difference and desperate students would pay any price to improve their futures. Egged on by lobbyists for corporate tax breaks and small government, they’ve created a system that busts family budgets while robbing higher ed employees.

“This is NOT what democracy looks like!”

The resolution commits labor to support federal legislation and policies to help reduce student loan debt by reforming bankruptcy laws, requiring institutions to better counsel students about their federal financial aid options, consolidating loan forgiveness programs into one similar to the federal Pay As You Earn Repayment Plan, and allowing borrowers to swap private loans for federal loans with more-favorable repayment conditions and options. It also demands that private lenders increase repayment options, and it calls for policies that will curb and eliminate the frauds and abuses practiced by predatory lending institutions and unscrupulous for-profit colleges.

Read the resolution at http://bit.ly/1g0JBR1.

Breakthrough settlement in Oregon
New union achieves a deal to crow about

THE UNITED ACADEMICS of the University of Oregon capped 10 months of bargaining for a first contract with a deal that might be among the best in the nation. The reason: The union, which represents both tenure-track and non-tenure-track faculty, saw that its best interests were served by securing benefits that elevate the conditions and status of all.

Thus, the contract, covering 1,800 faculty, librarians, research assistants, post-docs and other academic employees, provides average salary increases of 11.75 percent over the course of the two-year agreement and includes robust protections of academic freedom, free speech and participation in shared governance for all.

In addition, it clarifies policies that many faculty feel have been applied arbitrarily in departments across the university, depending on who was department chair.

The protections for adjuncts and non-tenure-track faculty in the contract are significant. For example, non-tenure-track instructors can get one-year extensions on their contracts for their first four years, then two-year extensions for the next two periods, then three-year extensions upon receiving a promotion. That security can be extended to adjuncts who have been hired by the university for three years running in the same position. Formerly, they were let go after three years with no promotion. Now, they automatically become career non-tenure-track instructors.

Non-tenure-track faculty who work less than half time get fringe benefits. Adjunct faculty who work 0.5 full-time equivalent get health and fringe benefits too, ending the practice of departments setting work hours below 0.5 FTE to avoid providing health insurance coverage.

“The contract means a lot for non-tenure-track faculty,” says Ron Bramhall, a senior instructor in the Department of Management who has been teaching full time at the university for 10 years. “We are two-thirds of the teaching faculty. Now we get to start feeling like first-class teachers.” He notes that the UO faculty “culture of mutual respect” led to a strong negotiating posture at the bargaining table.

The settlement “is the culmination of months of collaboration among faculty across the campus and across all ranks and classifications,” says Susan Anderson, a professor of German and member of the United Academics bargaining team. “With all that feedback and discussion, the contract already represents a full spectrum of voices in this new working relationship.”

The United Academics, which is jointly affiliated with the AFT and the American Association of University Professors, will take a ratification vote on Oct. 8.
Tables turn on California accreditor

CFT complaint draws scrutiny of local, state and federal officials

EVEN BEFORE THE Accrediting Commission for Community and Junior Colleges (ACCJC) announced this summer that it would pull the accreditation of the City College of San Francisco in July 2014, the California Federation of Teachers and AFT Local 2121, the union representing 1,650 full-time and part-time faculty, librarians, counselors and instructors at City College, filed a 300-page complaint with the commission and copied it to the U.S. Department of Education Office of Accreditation.

The complaint, which details ACCJC violations of state and federal regulations as well as the ACCJC’s own standards, has set off a chain of legal and public responses, as the San Francisco community fights to save a college that serves 85,000 students. The ACCJC is pulling accreditation for financial and governance reasons, not because the educational quality of the largest community college in the state is at issue.

The ACCJC is pulling accreditation for financial and governance reasons, not because the educational quality of the largest community college in the state is at issue.

The California Federation of Teachers filed a lawsuit in the California Superior Court on behalf of AFT Local 2121, seeking injunctive relief and restitution for the effects on the City College community of ACCJC violations of the state’s Business and Professions Code. The suit seeks to bar the accrediting panel from enforcing its decision to terminate City College’s accreditation.

On Sept. 23, the California Federation of Teachers filed a lawsuit in the California Superior Court on behalf of AFT Local 2121, seeking injunctive relief and restitution for the effects on the City College community of ACCJC violations of the state’s Business and Professions Code. The suit seeks to bar the accrediting panel from enforcing its decision to terminate City College’s accreditation.

The U.S. Department of Education already has put the ACCJC on notice that it is in violation of federal regulations governing conflict of interest and evaluation procedures. The ACCJC’s recognition by the department is up for review this December. As part of that process, AFT President Randi Weingarten, CFT President Joshua Pechthalt (who is an AFT vice president) and AFT Local 2121 President Alisa Messer have requested time to provide third-party comments to the National Advisory Committee on Institutional Quality and Integrity.

Follow the accreditation battle at www.aft2121.org.

More than 1,000 protesters took to the streets after the ACCJC announced its negative decision in July.

Our public schools represent our nation’s commitment to helping all children dream their dreams and achieve them. A high-quality public education for all children is an economic necessity, an anchor of democracy, a moral imperative and a fundamental civil right, without which none of our other rights can be fully realized.

It’s time to reclaim the promise of public education—not as it is today or as it was in the past, but as it can be—to fulfill our collective obligation to help all children succeed.

Reclaiming the promise is about fighting for neighborhood public schools that are safe, welcoming places for teaching and learning.

Reclaiming the promise is about ensuring that teachers and school staff are well-prepared, are supported, have small class sizes and have time to collaborate so they can meet the individual needs of every child.

Reclaiming the promise is about making sure our children have an engaging curriculum that includes art, music and the sciences.

Reclaiming the promise is about ensuring that children have access to wraparound services to meet their emotional, social and health needs.

The promise is under attack by those who demand and pursue austerity, polarization, privatization and deprofessionalization.

By uniting our voices with parents and the community, we can reclaim the promise.

Visit go.aft.org/promise.
March on Washington
Achieving real justice

ON THE MORNING OF AUG. 24, AFT members were among thousands of marchers carrying banners and signs for the 50th anniversary of the March on Washington for Jobs and Freedom. As the crowd swelled to tens of thousands, a series of luminaries warmed them up, including New York City’s United Federation of Teachers President Michael Mulgrew, who is also an AFT vice president; NAACP President Ben Jealous; U.S. Rep. John Lewis (D-Ga.); and AFT President Randi Weingarten.

Lewis, the only surviving speaker from the 1963 march, urged Americans not to rest until Congress revitalizes the Voting Rights Act, saying he does not intend to stand by and let the Supreme Court take away the vote. “Stand up and make some noise!” he exhorted. “Hang in there. Keep the faith. I got arrested 40 times, but I’m not tired. I’m not weary. I’m ready to continue the fight.”

Weingarten noted that the AFT supported the original march and was doing so again. She asserted that this march must not be merely a commemoration but “a continuation of that righteous fight to achieve real justice and opportunity for all.” She was joined by Asean Johnson, a 9-year-old student activist from Chicago’s public schools.

The AFT contingent helped highlight the union’s theme of “reclaiming the promise of public education.” During the day, volunteers handed out reclaiming the Promise fans and information cards, and marchers who stopped by an AFT tent signed up to support ongoing efforts throughout the country to translate that theme into action.

Trade unionists, civil rights leaders and the LGBT community also took advantage of the march anniversary to pay tribute to the late Bayard Rustin, the master tactician who organized the 1963 March on Washington. The ties run deep between the AFT and Rustin, who worked for years out of the United Federation of Teachers offices in New York City and forged a close working relationship with Albert Shanker, the late AFT president. Earlier this year, President Obama awarded Rustin the Presidential Medal of Freedom.

Saving city-based medical services
The fight to save Downstate Medical Center continues

UNITED UNIVERSITY PROFESSIONS, the union representing faculty and professional staff at the State University of New York, is continuing to support SUNY Downstate Medical Center in its ongoing battle to keep the center’s University Hospital of Brooklyn open, accessible and public.

SUNY and New York Gov. Andrew Cuomo have been on a path to privatize, downsize or close community hospitals. Downstate serves 2.5 million residents of Brooklyn, N.Y.—many of them low-income—and the teaching hospital has trained more New York City doctors than any other medical center in the SUNY system.

Hospital employees are facing terrible uncertainty; 65 UUP members learned over the summer that they were to lose their jobs, and another 120 employees faced termination Sept. 25.

UUP, the Public Employees Federation and the New York State United Teachers are embracing a proposed solution called the “Brooklyn Hospitals Safety Net Plan.” A model for other beleaguered healthcare systems, it offers innovative proposals to extend medical care to patients, stabilize medical facilities and make healthcare more affordable for all, including the state.

As the school year began, UUP members found themselves demonstrating for SUNY Downstate.

At a September rally organized by the SUNY Downstate Coalition of Faith, Labor and Community Leaders, of which UUP is a member, Jamie Dangler, UUP statewide vice president for academics, told the crowd: “Our fight in Brooklyn is part of a much broader statewide fight against the privatization and downsizing of SUNY. We have a plan that will continue to provide healthcare and medical education in this community into the future.”

“Brooklyn has a unique opportunity to turn its healthcare trials into a triumph, and to provide an innovative model for the country,” says AFT President Randi Weingarten. Learn more at www.brooklynhospitalplan.org.
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