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BC changes

**PRESIDENT WILLIAM J. CLINTON
COMMENCEMENT ADDRESS
PRINCETON UNIVERSITY
PRINCETON, NEW JERSEY
JUNE 4, 1996**

[Acknowledgements to President Shapiro, graduates, and Princeton alumni in Admin.]

I am especially pleased to be here at Princeton today. For at every pivotal moment in American history, Princeton, its leadership, and its students have played a crucial role. Many of America's founding fathers can be counted among Princeton's first sons. The very hall behind me was occupied by the British in 1776, liberated by the army of George Washington in 1777, and sanctified to American history forever by the deliberations of the Continental Congress in 1783.

The last time there was a Class of '96, Princeton celebrated its 150th anniversary. During those celebrations, [Professor] Woodrow Wilson gave the speech that gave this university its motto: Princeton in the Nation's Service. I want to paraphrase his words: Today we must stand as those who would count their force for the future. Those who made America are dead; those who shall keep it and better it still live -- they are even ourselves.

At the time of that speech, America was living through a period of enormous change. The Industrial Age brought incredible new opportunities and great new challenges. Princeton, through Wilson and his contemporaries, was at the center of efforts to master these powerful forces of change to benefit all Americans and to protect our time-honored values.

Today, on the edge of a new century, all of you, our Class of '96, are living through another time of great change. Powerful forces are changing forever the jobs we go to, the neighborhoods we live in, and the institutions we have depended upon. For many Americans, this is a time of insecurity as they wonder whether their old skills and enduring values are up to the challenges of the new century.

My fellow Americans: I am confident that if we confront the challenges of our times with the courage and determination of our forebears, our time -- as their time -- will be an age of possibility. The heights we can climb to, the bridges we can cross, the dreams we can realize -- are only limited by the power of our imagination, the strength of our will, and the depth of our courage.

Consider this: The Iron Curtain has fallen. Market capitalism has swept the globe. There is more computer power in your Ford Taurus as you navigate to the supermarket than there was in Apollo 11 when Neil Armstrong took it to the moon. The World Wide Web did not even exist when I became President. By the time a child born today is old enough to read, two billion people will be on the Internet.

What does this mean? It means that the entire structure of the world economy is changing. Distance collapses and differences dissolve. Suddenly an automobile manufacturer in Germany relies on parts made in Ohio and Michigan. American rice is sold in Japan. For us, the age of possibility means that more Americans than ever before will be able to breathe life into their dreams, and build the lives they dream of. It means the freedom to work with your mind, and from your home. It means jobs as unknown today as being a genetic engineer was unknown just ten years ago.

Now, for all of you here at Princeton, I am willing to bet this Age of Possibility will actually be an Age of Probability. ... But America's mission must be to ensure that all our people can seize the possibility this new time confers on us. In doing that, we must trust in the values that have always kept us strong: To create opportunity for all; to demand responsibility from everyone; and to inspire a greater sense of our common purpose. In Commencement addresses over the past month, I have talked about how to restore our American community, and how to keep America the strongest force for peace, freedom, and prosperity in the world. Today, I want to talk about how we can grow our economy, and especially, about how we must extend the frontiers of education for all Americans so they can prosper in this new era.

For 220 years, opportunity for all and the freedom to seize it have been the defining essence of America. We have not always made that ideal a reality. But the course of American history is the steady march of a nation striving to be ever more worthy of its ideals. We must march on. As we stand together at the edge of a new century, we must never ask, "What will the future do to us?" but rather, "What future will we fashion for ourselves?"

When I took office, Washington led us toward the future with uncertain steps. The deficit had skyrocketed; unemployment was high; job growth was weak. I was determined to chart a new course. We put in place a comprehensive strategy for economic growth. First, to put our economic house in order so that private business could prosper. Second, to tap the full potential of a new global economy through open and fair trade. And third, to invest in our people so they have the capacity to meet the demands of the new economy.

Our strategy is in place, and working. We cut the deficit in half, and reduced the size of the federal government by 237,000 workers. We have signed over 200 trade agreements. We gave a tax cut to 15 Million hard-pressed working families. The American people have created nearly 9 million new jobs. The combined rates of inflation, unemployment, and mortgages is the lowest in 3 decades. Americans bought 3.6 Million new homes, and started a record number of new small businesses. For the third year in a row, the United States of America is the most competitive economy in the world.

We are doing well, but we must do better. If America grows faster, incomes will grow faster, businesses will grow faster, and more of our people will have more chances to live out the American Dream.

Some people ask, "How much faster can America grow?" The answer is ours to

decide. If we look to the longterm, if we believe in our people, if we give them opportunity and demand they take responsibility, then I say: the sky is the limit.

But we must look with the greatest skepticism at simple solutions that promise the easy way. We know the course that leads to long-term high growth -- we are on that course; we must expand it; but we must not veer from it.

How will we go forward? First, a real growth strategy must finish the job we started in 1993 and balance the budget. It is wrong to leave our children a legacy of debt. But balancing the budget also keeps interest rates down now, and helps increase savings now. Large corporations can expand, and small businesses can start. Families can buy homes, and parents can send their children to college. We must not turn away from the responsible course towards a balanced budget.

Second, a real growth strategy must continue the fight for open and fair trade. We know the fastest growing economies are the most open economies. And we know that when American workers and American companies have the chance to compete, we do not take second place. But we also know that if America's markets are open to the world, then America has a right to demand that the world's markets are open to our products.

Third, a real growth strategy must do more to help all Americans seize the potential of this economy. America will never sustain high growth for the long-term unless all Americans have a chance to share in its benefits. A change in jobs should be a chance to move up, not a threat to people's basic security. We must ensure that people have health care, pensions and training they can take with them when they move from job to better job. We must increase the minimum wage, to make work pay.

And a real growth strategy must cut taxes for middle class Americans in a way that enables them to make the most of their own lives -- by caring for their children, saving for the future, and most of all, by investing in their and their children's education.

In many ways, the cornerstone of my growth strategy is one word: education. If there is one thing above all else we must do to unlock the age of possibility for all Americans, it is to give every single child -- and every adult who needs it -- the chance to get the best possible education.

My fellow Americans, here are the fundamental truths of our age of possibility. This is the Information Age. Nothing is more important to succeed than knowledge, than skills, than information. Education is not just the fault line, it is the great continental divide, that separates those who will prosper and those who cannot. The sturdy bridge that leads from the old economy to the new, is education.

In our first two centuries, America led the world in part because we made the most of the natural resources we were blessed with: our land, our rivers, our iron and coal. The mind is the great natural resource of the next American century. And we must insist that America has the best educated people in the world in the 21st century.

That is why we have worked hard to help schools set high standards and have high expectations. I have challenged the states to dismantle the barriers that discourage the most talented people from becoming teachers, to find ways to reward the best teachers, and ways to make it easier to remove those who do not measure up.

We are working to give every child access to a computer, good software, trained teachers, and the Internet. This spring, the Vice President and I helped kick off NetDay in California where school, business, and civic leaders have already wired [20] percent of the schools. I'm pleased to announce today that a partnership of high-tech companies, parents, teachers and students, are launching NetDay New Jersey to wire over 1000 schools by this time next year.

But we must do more, as America always has when we have realized our people needed more education to get ahead. At the turn of the century, the Progressives made the requirement that every child should be in school the law of the land. After World War II, with a new world of opportunity beckoning, we said 10 years was not enough -- that public schools should extend for 12 years. The G.I. Bill and college loans threw open the doors of college to the sons and daughters of farmers and factory workers -- and they have powered our economy ever since. Colin Powell, Bob Dole [business leaders to come] and I all have one thing in common: America helped us go to college.

America knows that higher education is the key to the growth we need to lift our country. Today, that is more true than ever. Fifteen years ago, the typical worker with a college degree made 36 percent more than a worker with a high school diploma. Today, the college-educated worker makes 74 percent more than the high school worker. [Stats to come on income difference for two years of college] Higher education is the key to a successful future in the 21st century. We must say to all Americans: Go to college.

Our goal must be nothing less than to make the 13th and 14th years of education as universal as the first 12. To meet this challenge, my Administration has put in place an unprecedented college opportunity strategy: Student loans directly to the people who need them. AmeriCorps, to give XX,000 young people the chance to earn their way through college by serving their country. More scholarships for deserving students. And we have proposed to go even further: Expanding work-study so one million students can work their way through college by the year 2000. Letting people use money from their IRA to help pay for college. A \$10,000 tax deduction to help people pay for education after high school. And I have called on colleges to keep costs down.

We must always raise our sights. As we enter a new century, we must make 14 years of education the standard for every American.

That is why, today, I am announcing a new plan to complete our college strategy, and make two years of college as universal as four years of high school. And the right way to do it is to give families a tax cut, targeted to achieve our national goal. We will say to anyone in America who wants to go to college: if you work hard and earn a B average in high school, we will give you a tax credit to pay the cost of two years of tuition at the

average community college. This will augment the \$10,000 tax deduction we have already proposed.

If you're in high school, we will say: Stay in school, get good grades, and go to college. If you're in your twenties and already working, but can't move ahead on a high school diploma, we will say: Get the skills you need; go to college. If you're 40 and worried that you need more education to support your family, we will say: Go part-time, go at night, but by all means, go to college. With this plan as the capstone to our college strategy, for those who need it, the 13th and 14th years of education will be free.

I know this works. When I was Governor of Arkansas, we created Academic Challenge Scholarships -- given only to students who make a good average, stay in school, and stay off drugs. And today's proposal builds on the enormously successful HOPE Scholarships in Georgia, which guarantee any student in the state free college so long as they earn a B average. This year, HOPE scholarships are helping 80,000 Georgia students -- including 70% of the freshman class at the University of Georgia. In recognition of Georgia's leadership, I want to call my proposal "America's Hope Scholarships."

Money doesn't grow on trees in Washington (and perhaps not even here in Princeton). That is why I have put forward enough spending cuts in my balanced budget plan to pay for this. We must not go back to the days of something for nothing. The era of big government is over, and so is the era of big deficits. This plan is targeted and it is paid for -- and no tax cut will do more to raise incomes and spur economic growth over the long haul than one designed to help people go to college.

Finally, this plan will work because the young people who want this help are going to have to work for it. It is rooted in America's most basic bargain: We as a nation will create more opportunity, but if and only if our people take responsibility to make the most of their own lives.

We must never forget it is that basic bargain which has always brought us together as a community, as a country. No generation of Americans understood that better than the generation represented by a special group here today -- the Class of 1946, celebrating its 50th reunion. When you laid down your studies to take up arms, you took the ultimate responsibility for the future of your nation and your world. And when you returned, a grateful nation did everything it could to create opportunity for all of you. And we can all attest to the fact that you made the most of it.

The ultimate lesson the Class of 1946 teaches the Class of 1996 is this: You will do well, because America does well. You must never be satisfied with an age of probability only for the sons and daughters of Princeton. You could go your own way, in a society that so often seems like it's coming apart. You have the ability to succeed in this economy; and you could secede from the America trapped in the old economy. But you must not secede from our common purpose. You must engage on our common ground. You must follow the example of the Class of 1946, who sacrificed for America like no other generation in history, and built the future you live in. Your blessing is an obligation -- to help ensure that the

promise of this age is made real for all the sons and daughters of America.

In 1914, President Wilson wrote: "The future is clear and bright with promise of the best things. We are all in the same boat, and we now know the port for which we are bound. We have a common discipline of patriotic purpose. We shall advance, and advance together, with a new spirit, a new enthusiasm, a new cordiality of spirited cooperation."

It is remarkable to think about, but the Class of 1946 stands halfway between the day Woodrow Wilson called Princeton to the nation's service and the day you graduate. They built a future that lived up to the promise of his words. We can do no less. That is the spirit that must guide America as we march together, across the bridge that will lead through the age of possibility to a future of greatness. Thank you, God bless you, and God bless America.

OPTIONS FOR EDUCATION PROPOSAL

OPTION 1: Guaranteed Access Accounts or Plans with Possible New Proposals

Stress the importance of every American achieving at least two years of higher education -- 13th and 14th grade -- and stress that because of the President's policies every American has guaranteed access to \$6000 (or more?) of grants and loans.

This option would be designed to communicate that today everyone does have guaranteed access to higher education, and that the President's vision was to take down more barriers and have more people gain higher educations. We could describe these benefits as "Individual Education Accounts" or "Individual Learning Accounts."

We could also seek more of a one-stop shopping approach where all American could come to one place and get their package of guaranteed access at one place. The current elements would include:

- Announce 7 Year Increases in Pell Grants
- Announce 7 Year Increased work study (in budget plan)
- \$10,000 tuition deduction
- Loans -- with pay-as-you can repayment
- Skill Grants
- Expanded IRAs to save tax-free for education and training
- National Service -- Americorps Grants

OPTION 1B: Need for New Hook: In order to draw attention to the entire package, something new could be offered:

- **Savings Plans:** In addition to the IRA,

Pre-Paid Tuition Savings Option: Treasury could offer clarification that made clear that IRS would allow state-pre-paid tuition. We could also propose that savings in these plans not be counted as income for federal aid eligibility and call for schools and states to do the same.

New Education Savings Bonds: These already exist, yet we could make them eligible for training.

- **Interest deductibility:** Make interest on loans deductible. This is highly popular. Republicans had a small option like this in one of their balanced budget proposals in response to our \$10,000 deduction.
- **\$1000 Credit as Part of Guaranteed Access Plan:** The message would still be guaranteed 13th and 14th grade, yet the package would be one that did not emphasize "free" tuition. Rather it would be guaranteed access that includes \$1000 minimum grant that can be used for any purpose in ones first two years.

OPTION 2: Tax Credit for 13th and 14th Grade Combined with \$10,000 Deduction

- \$1,500 for 13th and 14th Grade Full-Time
- \$750 for 13th and 14th Grade Part-Time
- \$10,000 Deduction (yet only at 15% bracket)

\$1500, Full-Time: Full-time students in degree programs would be guaranteed \$1,500 for tuition from either a refundable tax credit or a Pell Grant. In other words, if someone had a \$1,500 Pell Grant they would not get a tax credit, and if they received a \$1,000 Pell Grant they would get a \$500 tax credit. This ensures that every young person is guaranteed a "free tuition" at an average priced community college. It would be enough to cover the average tuition for community colleges in 34 states, which include 67% of community college students.

Up To \$750, Part-Time: Part-time students in a degree program could get a credit of up to \$750 per year for four years for up to half-time enrollment.

\$10,000 Deduction (15% Limit): About 70% of taxpayers are in the 15% brackets. Under our current proposal, a family in the 28% bracket could get a \$2800 tax cut. Under this option, the deduction would be taken in the 15% bracket, so the most a family could receive would be \$1,500 (15% of \$10,000).

OPTION 2B Same as Option 2 But The Credit Would Be Available to Students in Non-Degree Programs. This would include certificate and technical training programs. Some are concerned about proprietorship fraud and losing focus on 13th and 14th grade; others feel this meets the lifelong learning goals better by helping people do any career training enhancement. Such people are eligible for the \$10,000 deduction in any regard.

OPTION 2C: Includes Benefits in 2 or 2A, Yet would Give Tuition Check Directly To Students: Under this model, a credit equal to the national average community college tuition would be given to each student directly -- regardless of the tuition costs in their state. Therefore, each full-time student would receive a \$1200 or \$1500 tax credit -- enough for full-time tuition at an average community college. If the state were high-priced, the \$1200 or \$1500 amount would not be enough for "free" community college, but that would be the fault of the state. For states that subsidized more than the national average -- so that community college tuition was only \$900 -- the student could keep the difference and apply the rest (\$300 if the credit were \$1,200) for books, room and board. The proposal is designed to give the student funds directly to create political pressure that would avoid having the state raise tuition -- as that would directly take funds from students pockets.

OPTION 2D:

\$1800 Credit Full Time

\$900 half-time

\$10,000 at 15% Limit

\$Non-Degree Students Included

B Average with 90 % attendance Requirement

Limitation on Participating States to Raise tuition

\$1800 Credit -- 90% Goal: This option is more generous than the other Options 2, because of the \$1800 credit -- which is designed to ensure that community college is free for 90% of eligible students.

B Average Requirement and 90% Attendance: It lowers the costs, however, by limiting the pool of participants through a "B" average requirement. Depending on how "B" is defined, 43-62% of college students had a B average in high school according to the latest -- albeit -- outdated data. Others support the "B" average for its responsibility message and because it links the proposal to the Georgia Hope Model. Some have suggested that we specifically link our proposal to the Georgia model, even though this is a tax credit and Georgia's is a scholarship program. There could

* **Second Chance Options:** States could offer students a second chance if they got a B average in their freshman year or if they passed -- at anytime -- a high standards graduation exam as the President called for in the NGA speech.

Tuition Increase Limitation: This plan also includes a limit on how much tuition could be raised. It could be a high limit 8-10%, just to ensure that no state is rushing to jack up tuition prices.

HOPE SCHOLARSHIP PROGRAM

Current Program



September 1995

September 1996

Public
Colleges

- B Average from High School.
- Freshmen and Sophomores
- Juniors and Seniors
- **Removal of Income Cap**
- **Second Chance Opportunity**
- **Inclusion of Non-traditional Students**
- Tuition and Mandatory Fees
- Book Allowance
- **PROMISE Teacher Scholarships**
- **HOPE Teacher Scholarships**

- B Average from High School
(core-curriculum in 2000)
- Freshmen and Sophomores
- Juniors and Seniors
- No income cap
- Second Chance Opportunity
- Non-traditional Student Oppourtunity
- Tuition and Mandatory Fees
- Book Allowance
- PROMISE Teacher Scholarship
- Hope Teacher Scholarship

Technical
Institutes

- Tuition and Mandatory Fees
- Book Allowance

- Tuition and Mandatory Fees
- Book Allowance

Private
Colleges

- **\$1500** Grant for Full-time Students
- **PROMISE Teacher Scholarship**
- **HOPE Teacher Scholarship**

- **\$3000 Scholarship for 1996 high school graduates with B Average**
- **\$1500 Grant for renewals only**
- PROMISE Teacher Scholarship
- HOPE Teacher Scholarship

GED Graduate

- \$500 Award for Post-Secondary Study

- \$500 Award for Postsecondary Study

Bold print indicates changes

Bold print indicates program changes

HOPE SCHOLARSHIP PROGRAM

	September 1993	September 1994
Public Colleges	<ul style="list-style-type: none"> ◉ B Average from H. S. ◉ Freshmen ◉ Sophomores ◉ \$66,000 Income Cap ◉ Tuition 	<ul style="list-style-type: none"> ● B Average from H. S. ● Freshmen ● Sophomores ● Juniors ● Seniors ● \$100,000 Income Cap ● Tuition ● Mandatory Fees ● Book Allowance
Technical Institutes	<ul style="list-style-type: none"> ◉ Tuition 	<ul style="list-style-type: none"> ● Tuition ● Mandatory Fees ● Book Allowance
Private Colleges	<ul style="list-style-type: none"> ◉ \$500 Tuition Grant for Full-time Study 	<ul style="list-style-type: none"> ● \$1000 Tuition Grant for Full-time Students
GED Graduate	<ul style="list-style-type: none"> ◉ \$500 Award for Postsecondary Study 	<ul style="list-style-type: none"> ● \$500 Award for Postsecondary Study

Bold print indicates expansions.



STATE OF GEORGIA
OFFICE OF THE GOVERNOR
ATLANTA 30334-0900

Zell Miller
GOVERNOR

To the Parents of the Class of 2000:

There is nothing I am prouder of than the HOPE Scholarship Program. Wherever I travel in Georgia or around the country, people want to talk to me about this unique scholarship opportunity.

In just three short years, HOPE has changed the awareness and attitudes of parents and students regarding academic achievement. This has always been the intent of the HOPE Scholarship — to reward academic achievement. Now that we have this focus, I want to take steps to raise the academic criteria so that students in the graduating class of the year 2000 and thereafter are fully prepared to face the twenty-first century by taking the necessary courses while in high school.

The changes in the academic criteria will affect those students entering high school as freshmen in 1996 and thereafter who want to earn a HOPE Scholarship for attendance at one of Georgia's eligible public or private colleges, universities, or technical institutes in a degree program in the year 2000. Please take a few minutes to familiarize yourself with these requirements so you will understand how the 'B' average will be calculated for your son or daughter.

Beginning with the 1996 high school freshman class, HOPE eligibility will be based solely on the core-curriculum subjects: 4 units of English; 3 units of math; 3 units of science; 3 units of social studies; and, if your son or daughter is earning a **college preparatory diploma**, 2 units of a foreign language. A student planning to earn a **college preparatory diploma** must also graduate meeting the curriculum requirements and have earned a 3.0 cumulative grade average on a 4.0 scale, or an 80 numeric grade average, in the core-curriculum subjects. If the student plans to earn a **vocational diploma**, he or she must graduate meeting the curriculum requirements and have earned a 3.2 grade average on a 4.0 scale, or an 85 numeric grade average, in the core-curriculum subjects.

It is important to understand that **only the grades earned in the core-curriculum subjects during the four years in high school (freshman through senior year) will be considered in calculating HOPE eligibility for degree programs.** Grades earned in other courses will not be included. Although I believe other subjects develop well-rounded students, this change will provide an incentive for high school students to work harder and do well in the more difficult courses. In the long run, we will send our colleges better-prepared students who will be less likely to lose their HOPE Scholarships.

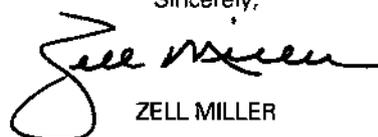
Not everyone graduating from high school wants to pursue a college degree program. That is why HOPE assistance is also available for students who wish to continue their education by seeking a diploma or certificate at a Georgia **public technical institute**. Certificate and diploma programs are available in many skilled fields to provide students with the knowledge and technical skills necessary to be competitive in tomorrow's workforce.

As I have said many times, it has never been more important for our students to get a higher education and the skills they need to succeed in the twenty-first century. The HOPE Scholarship Program offers Georgia students educational choice and diversity to meet their goals. This innovative program has other components as well, offering financial assistance to Georgians who have earned a GED since July 1993 and to teachers and individuals pursuing advanced degrees in education in critical-shortage fields.

The information on the back of this letter summarizes the HOPE program for you. If you have any questions or need more information, please see the high school guidance counselor or call HOPE toll-free at 1-800-546-HOPE. I want your son's or daughter's future to be as bright as possible. With their hard work and your encouragement, I know this will happen.

With kindest regards, I remain

Sincerely,



ZELL MILLER

An Important Message To Parents From Governor Zell Miller About HOPE For Your Child's Future.

A Summary of the HOPE Scholarship Program Awards and Requirements

For Degree Programs

At an eligible Georgia public college, university, or technical institute:

Students who are eligible for the HOPE Scholarship (**earned the required 'B' average in their high school curriculum track and meet residency requirements**) may receive tuition, mandatory fees, and a book allowance of up to \$100 per quarter.

Please note that the HOPE Scholarship can only be applied to tuition and mandatory fees not covered by the Pell Grant or any other Federal grants the student is awarded.

The student may be enrolled full time or part time.

To continue to receive HOPE assistance, the student must maintain a 3.0 cumulative grade point average at three checkpoints (**completion of the freshman, sophomore, and junior year**) and be making satisfactory academic progress according to the institution's policy.

At an eligible Georgia private college or university:

Students who are HOPE eligible (**earned the required 'B' average in their high school curriculum track and meet residency requirements**) may receive a \$3,000 HOPE Scholarship per academic year.

The student must be enrolled full time.

To continue to receive HOPE assistance, the student

must maintain a 3.0 cumulative grade point average at three checkpoints (**completion of the freshman, sophomore, and junior year**) and be making satisfactory academic progress according to the institution's policy.

In addition, an eligible student may receive \$1,000 from the Georgia Tuition Equalization Grant per academic school year.

For Certificate or Diploma Programs

At an eligible Georgia public college, university, or technical institute:

Students who are HOPE eligible may receive tuition, mandatory fees, and a book allowance of up to \$100 per quarter.

Please note that HOPE assistance can only be applied to tuition and mandatory fees not covered by the Pell Grant or any other Federal grants the student is awarded.

The student may receive HOPE assistance for a total of two programs of study leading to a certificate or diploma.

Full-time enrollment is not required, but in order to continue to receive HOPE assistance the student must be making satisfactory academic progress according to the institution's policy.



Evaluation of the HOPE Scholarship Program



EXECUTIVE SUMMARY

In 1993, Governor Zell Miller and the General Assembly established the lottery-funded HOPE Scholarship program. While HOPE has several different components, this study addresses the HOPE recipients who received public college scholarships in the 1994-95 academic year. These students qualified for HOPE by graduating from high school with a "B" average or better and received tuition, fees, and a book allowance.

The purpose of this evaluation, conducted for the Council for School Performance by the Applied Research Center at Georgia State University, is to provide policy-makers and citizens with information about the HOPE program. The information summarized here is available in more detail in the full report. The report may be useful as further refinements of the HOPE program are considered by the Governor and General Assembly. This evaluation addresses four questions that are frequently asked about the HOPE Scholarship program:

1. Who receives HOPE scholarships?
2. What would be the impact on HOPE recipients of raising academic standards?
3. What is the impact on HOPE recipients of having a college prep diploma?
4. What is the impact on HOPE recipients of taking Learning Support (developmental studies) courses?

Each of these questions is addressed for the 16,376 HOPE public college scholarship recipients for 1994-95. The study examines how various factors impact student persistence in college and retention of the HOPE scholarship. In this study, a student has persisted in college if the student attended a Georgia public institution in Fall 1994 and is still attending a Georgia public institution in Fall 1995. A student retained HOPE if the student's cumulative college GPA was a 3.0 or higher after 45 hours of college course work.

WHO RECEIVES HOPE?

The 16,376 students who received HOPE in 1994-95 had the following characteristics:

- 61% were female.
- 39% were male.
- 76% were white.
- 20% were black.
- 3% were Asian.
- 15% are from South Georgia.
- 84% of HOPE students persisted in college over a one year period.
- average high school GPA of 3.6.
- 27% are from Middle Georgia.
- 31% are from Metro Atlanta.
- 27% are from North Georgia.
- average family income of \$44,876.
- 43% of HOPE students who earned 45 hours retained HOPE.

The HOPE 1994-95 class has 3.7% more females than the overall university system population. The racial composition of the HOPE population mirrors that of the overall university system population. The percentage of HOPE students taking Learning Support as freshmen was 9.3% lower than the average percentage for the 1994-95 freshman class. Additionally, the average SAT score for HOPE students was 40 points higher than the average for the entire 1994-95 freshman class.

HOPE Evaluation Executive Summary

WHAT IS THE IMPACT OF RAISING ACADEMIC STANDARDS?

The HOPE program rewards students who perform at a high academic level in high school. One way to raise standards is to calculate the GPA of HOPE students using only academic courses. This method of raising standards was recommended by Governor Zell Miller in his Supplemental Budget Address on January 3, 1996. The Board of Regents currently calculates high school GPAs in this manner by including only academic courses. Local school systems currently include all courses taken by the student, including electives, in calculating the student's high school GPA. Using the Regents' calculated GPA provides a more rigorous standard by which to admit students to the HOPE program and would require students to strive for greater academic achievement in high school in order to receive HOPE.

An examination of the data for the 1994-95 HOPE freshman class shows the impact that having a 3.0 or higher Regents' GPA has on a student's performance in college.

- Students with a Regents' high school GPA of 3.0 or higher have a 6% higher persistence rate than students who have a Regents' GPA below 3.0.
- Only 20% of students who have a Regents' GPA *below* 3.0 retain HOPE. 55% of the students who have a Regents' GPA of 3.0 or higher retain HOPE.

It is also possible to determine what the impact would have been on the 1994-95 HOPE freshman class of limiting HOPE to students with a Regents' 3.0 or higher GPA. These changes compare the entire 1994-95 HOPE class to those students in the class who have a Regents' 3.0 or higher GPA. If HOPE had been limited to students who had a Regents' 3.0 or higher high school GPA in 1994-95,

- ◇ 44% of students would have not qualified for HOPE.
- ◇ college persistence rates would have increased by 1%.
- ◇ the percentage of students retaining HOPE would have increased by 12%.
- ◇ 22% of students would have needed to take Learning Support course work compared to 30% now.
- ◇ The HOPE profile would have had 7% more females and 3% fewer black students.

WHAT IS THE IMPACT OF HAVING A COLLEGE PREP DIPLOMA?

Georgia has a College Preparatory Curriculum that was developed jointly by the Board of Regents and the State Board of Education. High school students who graduate having taken the appropriate course work receive a College Prep endorsement on their high school diploma. Currently, HOPE recipients are not required to have a College Prep endorsement to receive the public college scholarship.

An examination of the data for the 1994-95 HOPE freshman class shows the impact of graduating from high school with a College Prep diploma on a student's performance in college. We have also examined the impact of College Prep on the "average student," which is a student who graduated from high school with an average GPA and comes from a household with an average income.

- 88% of HOPE students graduated from high school with a College Prep diploma.
- The average student has a 6% higher persistence rate with a College Prep diploma.

HOPE Evaluation Executive Summary

- College prep improves the persistence rates of the following:
 - ◇ the average white student by 6%.
 - ◇ the average black student by 4%.
 - ◇ the average male student by 8%.
 - ◇ the average female student by 5%.
- The average student, regardless of race or gender, is 7% more likely to retain HOPE with a College Prep diploma.

It is also possible to determine what the impact would have been on the 1994-95 HOPE freshman class of limiting HOPE to students who graduated from high school with a College Prep diploma. These changes compare the entire 1994-95 HOPE class to those students in the class who have a College Prep diploma. If HOPE had been limited to students who graduated from high school with a College Prep endorsement in 1994-95,

- ◇ 12% of the students would not have qualified for HOPE.
- ◇ 28% of students would have needed Learning Support compared to 30.5% now.
- ◇ persistence and HOPE retention rates would not have changed substantially.
- ◇ the percentage of females and blacks in the HOPE profile would not have changed.

These impacts are lower than might be expected because most students have the college prep diploma.

WHAT IS THE IMPACT OF LEARNING SUPPORT (DEVELOPMENTAL STUDIES)?

Like many other states, Georgia offers Learning Support course work, previously known as Developmental Studies course work, to college students who fail to meet specific university standards but are otherwise eligible for admission. Currently, HOPE pays for recipients to take Learning Support courses in college. Learning Support course work does not count toward a student's official college GPA or credit hours.

An examination of the data for the 1994-95 HOPE freshman class shows the impact of taking Learning Support course work in college on a student's performance in college. We have also examined the impact of taking Learning Support course work on the "average student," which is a student who graduated from high school with an average GPA and comes from a household with an average income.

- 31% of HOPE students took at least one Learning Support course.
- An average student's persistence rate is not affected by taking Learning Support courses. Taking Learning Support courses affects the persistence rates of groups of students differently by
 - ◇ improving the persistence of the average black student by 6%.
 - ◇ reducing the persistence of the average white student by 2%.
 - ◇ reducing the persistence of the average male student by 1%.
 - ◇ improving the persistence of the average female student by 1%.
- The average student is 13% less likely to keep HOPE if they are required to take Learning Support courses. The retention rates of students taking Learning Support are reduced by
 - ◇ 12% for the average male student.
 - ◇ 13% for the average female student.
 - ◇ 9% for the average white student.
 - ◇ 8% for the average black student.

HOPE Evaluation Executive Summary

It is also possible to determine what the impact would have been on the 1994-95 HOPE freshman class of limiting HOPE to students who are not required to take Learning Support course work in College. These changes compare the entire 1994-95 HOPE class to those students in the class who did not need to take Learning Support course work. If HOPE had been limited to students who did not need Learning Support course work in 1994-95,

- ◇ 31% of students would not have qualified for HOPE.
- ◇ the overall persistence rate would have increased by only 1.1%.
- ◇ the percentage of students retaining HOPE eligibility would have increased by 7.1%.
- ◇ the HOPE profile would have had 2% fewer female and 7% fewer black students.

CONCLUSIONS

Because HOPE is a new program, it is only possible to examine the impact that HOPE has on persistence in college and retention of HOPE. As there is more data on HOPE, it will be possible to examine other areas such as HOPE's impact on the college graduation rate. Examining persistence and retention, however makes it possible to weigh various policy options and determine how the program might be made more effective.

The data show that requiring a College Prep diploma, requiring a Regents' 3.0 or higher GPA, or limiting HOPE to students not needing Learning Support course work--increases the rates of persistence in college only modestly. Raising the academic standards that high school students must attain in order to receive a HOPE scholarship by requiring students to have a 3.0 or higher GPA in their core academic subject areas would have a strong positive impact on the HOPE retention rate. This change also does not dramatically change the demographics of the HOPE program. Our findings show that approximately the same ratio of men, women, blacks, whites, and Asians would still receive HOPE.

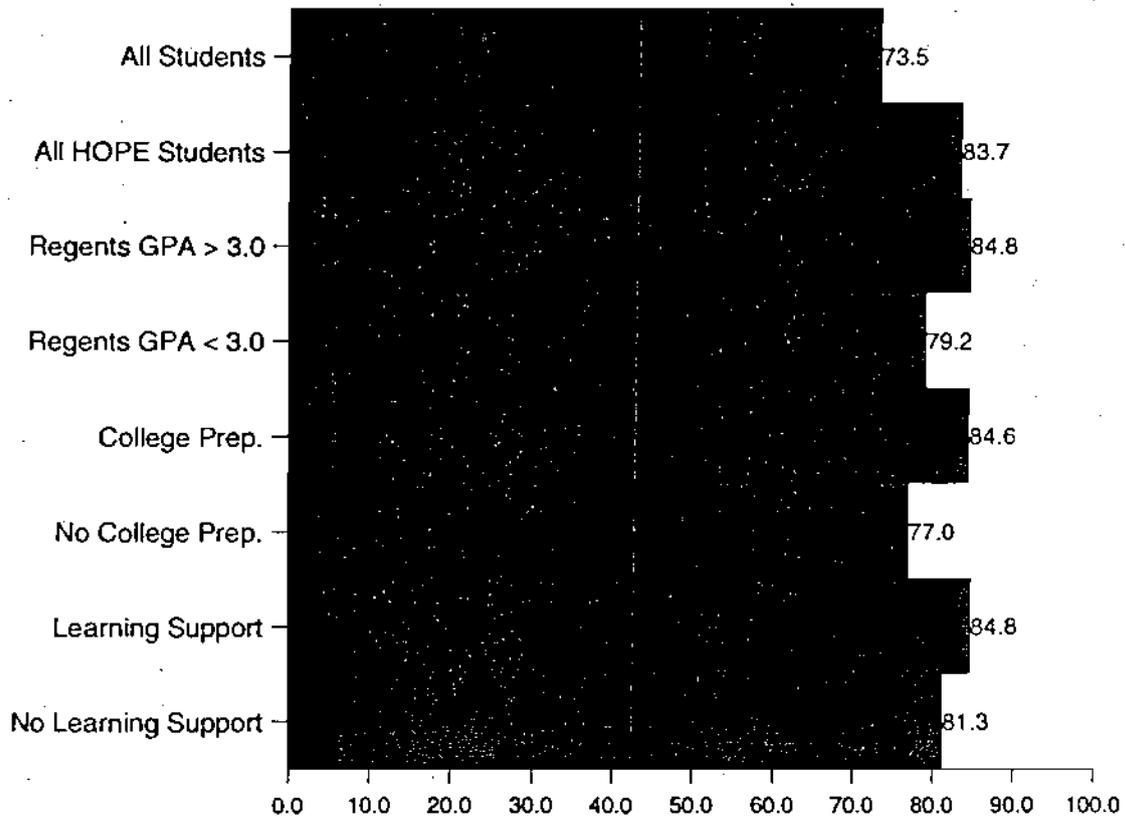
One possible benefit of raising academic standards is that it will raise the academic expectations of college-bound high school students. If students are appropriately made aware of the increased standards required to receive a HOPE scholarship, more students may be motivated to get the preparation they need to be successful in college and to receive HOPE. However, the motivations of high school students cannot be evaluated in this study. Our findings showed that 44% of the 1994-95 class of HOPE scholars do not meet this standard. When the increase in HOPE eligibility standards is communicated to students, the percentage of students not eligible for HOPE under the increased standards may become smaller.

In 1994-95, almost 88% of HOPE students had a College Prep diploma and this percentage can only be expected to rise as students are required to receive a College Prep and/or Vocational diploma. Because so many students already have the College Prep diploma, requiring HOPE recipients to have a College Prep diploma would not result in appreciably higher rates of persistence or retention.

Exempting students who need Learning Support would have very mixed effects. Students who take Learning Support course work do not retain HOPE at the same rate as students who do not take Learning Support courses. However, taking Learning Support courses can help students persist in college. Female and black students especially benefit from Learning Support course work and, therefore, would be especially harmed if Learning Support students were exempt from HOPE.

This research was conducted by Dr. Marsha Davis, Dr. Gary Henry, and Mr. Thad Hall, Applied Research Center at Georgia State University. The authors wish to express their appreciation for the cooperation of the Board of Regents and the Georgia Student Finance Commission in supplying data for the study and to Mr. Matt Smith, who prepared the data sets for analysis.

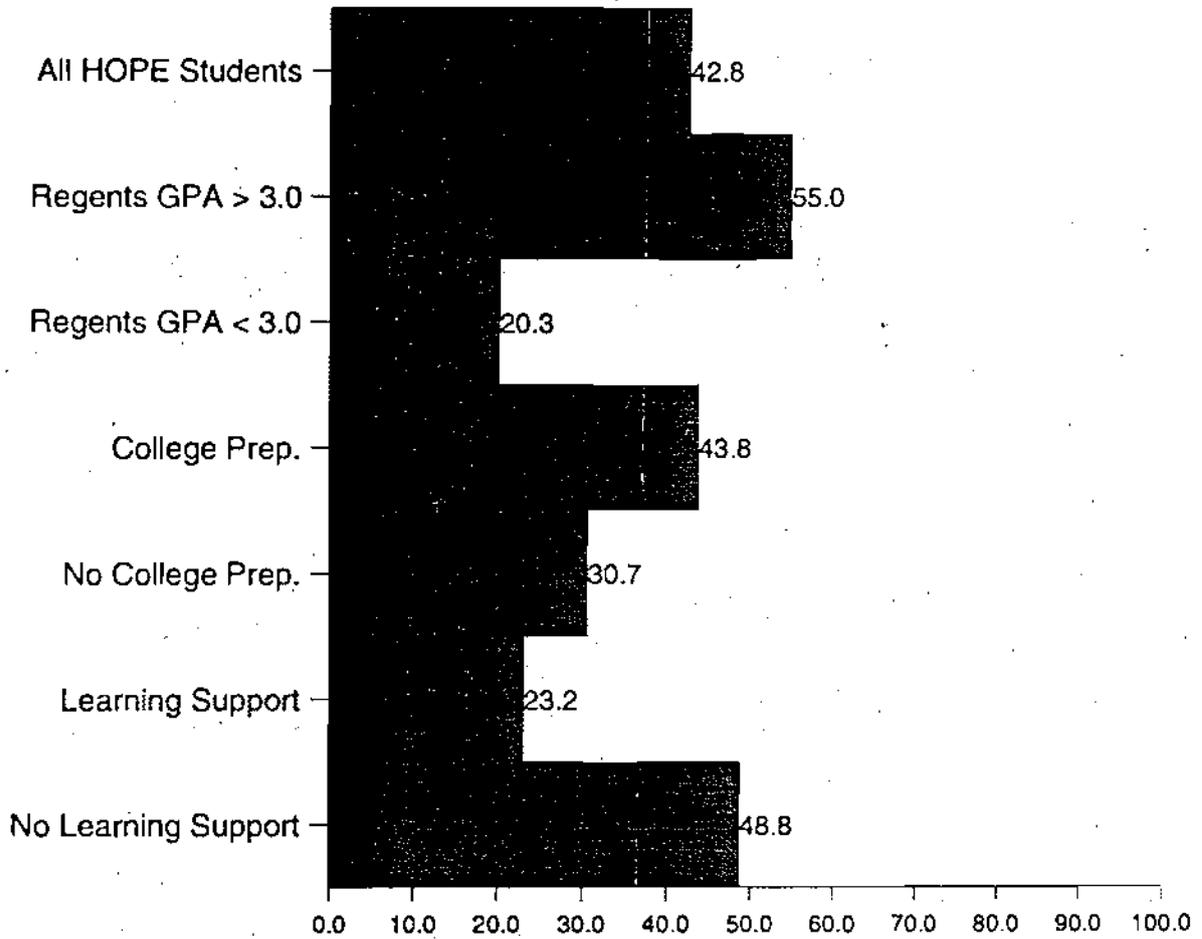
Figure 1: Persistence in College - Fall 1994 to Fall 1995



HOPE Scholars are more likely to persist than other students. Persistence improves for students who,

- > Have a Regents' GPA of > 3.0
- > Have a College Prep Diploma
- > Take a Learning Support course

Figure 2: HOPE Retention Rate after 45 College Hours



HOPE Scholars are more likely to retain their HOPE scholarships if they,

- Have a Regents' GPA > 3.0
- Have not been required to take Learning Support

College Prep has a modest impact



Members
Pat Willis,
Buford Arnold
Dorothy Cottom
Leena Johnson
Melvin Kruger
Linda Schrenko
Dean Swanson
Gary T. Henry,

AT A GLANCE: THE COUNCIL FOR SCHOOL PERFORMANCE

WHAT Established by the Georgia General Assembly in 1993, the Council is charged with providing the public with easily understood annual reports on public school and school system effectiveness. It must also document how schools are spending funds generated by the Georgia Lottery.

The seven-member panel is attached to the Office of Budget and Planning for administrative purposes only, but has no ties to the Department of Education or any other state body.

WHY The data will also provide information to schools that can be used to plot strategies to improve the quality of education they provide.

HOW The Council measures school performance with indicators developed by community leaders, superintendents, school board members, principals, and teachers from around the state. Until now, SAT scores and standardized tests scores were the sole yardsticks of school performance.

School indicators gauge student performance, while community indicators reflect how well the community supports efforts to improve education locally.

WHEN During the 1994-95 school year, the Council piloted the indicators at the school level to ensure that data can be collected without undue burden on local schools and school systems and to confirm the technical soundness of the indicators.

In December 1995, the Council will issue its first state report. In early 1996, the Council will release reports on the performance of specific school systems and schools. In subsequent years, state, school system and school reports will be released annually.

"PELL GRANTS"

AGENDA
MAY 30, 1996

1. Option 1: Tax Credit for 13th and 14th Grades Combined with \$10,000 Deduction

\$1500 for 13th and 14th Grade Full-Time
Up to \$750 for 13th and 14th Grade Part-Time
\$10,000 Deduction (yet only at 15% bracket)

*Voucher/Tax Cut
Advance payment?*

2. Option 2: Same as Option 1 but without the \$750 credit for part-time students

3. Option 3: Individual Education/Learning Accounts

\$1500 or \$1200 Tax Credit
\$10,000 Deduction at 15% Limit
Pell Grants increases over 7 year
Pay-As-You Can Loans

4. Option 4: Change the tax credit to a direct expenditure in the two above alternatives by expanding the Pell grant program

5. Option 5: Savings and investment option. This is the "Pensions Approach" combining existing tax and non-tax proposals with new state pre-paid tuition proposal

ISSUES:

*Constraints: Barg.
\$1200*

Can we say it is free?

Impact on older students

Student responsibility

Impact on student behavior

Will states raise tuition?

Reaction of college community and validators

Administration and compliance

EXECUTIVE OFFICE OF THE PRESIDENT

~~30-May-1996 02:49pm~~

TO: Cynthia M. Smith
TO: Cathy R. Mays
TO: Keith J. Fontenot
TO: Mary I. Cassell

FROM: Deborah F. Kramer
Office of Mgmt and Budget, HR

SUBJECT: 4:30 Meeting Attendees -- FYI

Below is the list of HHS folks for the 4:30 in 260, re: Child Support Executive Action.

- | |
|----------------|
| Mary Jo |
| Ann Rosewater |
| Wendell Primus |
| Madeline Mocko |
| Paul Legler |
| Kerry Cain |
| Mack Storrs |
| Bob Harris |

EDUC OPTS

- \$1500 credit for full time
\$750 → part time } IA
\$10,000 up to 15% bracket

Reich: 2 free yrs. of higher educ. anytime

- Indiv. Educ. Acct
- guaranteed \$1200
- increase Pell Grants in OMB baseline } not just comm. college.
15% (1% free, plus guaranteed thru grants + loans
- Increase Pell Grant
- Add a savings element/pension aspect
- Ken: Not just on tax side

**Tuition and Required Fees
Public 2-Year Institutions
1996-97 (Estimates)**

State	Number of Students with Tuition Under \$1,500	Total Number Enrolled Full-Time/Full-Year	Percent with Tuition Under \$1,500
AK	2,787	2,787	100%
AL	255,181	264,763	96%
AR	47,013	47,013	100%
AZ	268,146	268,146	100%
CA	1,339,929	1,339,929	100%
CO	97,351	154,432	63%
CT	13	64,479	0%
DE	15,829	15,829	100%
FL	608,270	669,914	91%
GA	129,944	140,718	92%
HI	35,921	35,921	100%
IA	0	88,337	0%
ID	11,991	11,991	100%
IL	553,619	686,963	81%
IN	55	75,020	0%
KS	162,615	163,410	100%
KY	68,518	75,531	91%
LA	66,769	66,787	100%
MA	114	124,832	0%
MD	10,013	171,581	6%
ME	0	13,927	0%
MI	148,916	361,633	41%
MN	34	170,998	0%
MO	123,065	126,718	97%
MS	75,612	75,612	100%
MT	4,794	10,919	44%
NC	275,291	275,444	100%
ND	1,455	12,233	12%
NE	79,826	80,525	99%
NH	0	12,634	0%
NJ	265	197,869	0%
NM	75,697	76,464	99%
NV	60,714	60,714	100%
NY	58	359,129	0%
OH	0	240,259	0%
OK	110,198	129,664	85%
OR	63,238	178,005	36%
PA	15,088	175,574	9%
RJ	0	24,579	0%
SC	105,058	116,786	90%
SD	0	5,130	0%
TN	121,655	121,655	100%
TX	693,306	707,275	98%
UT	11,848	43,695	27%
VA	45	213,838	0%
VT	0	7,998	0%
WA	233,889	311,496	75%
WI	18,955	235,516	8%
WV	5,053	11,547	44%
WY	31,204	31,204	100%
TOTAL	5,929,342	8,857,423	67%

**Tuition and Required Fees
Public 2-Year Institutions
1996-97 (Estimates)**

State	Number of Students with Tuition Under \$2,500	Total Number Enrolled Full-Time/Full-Year	Percent with Tuition Under \$2,500
AK	2,787	2,787	100%
AL	264,763	264,763	100%
AR	47,013	47,013	100%
AZ	268,146	268,146	100%
CA	1,339,929	1,339,929	100%
CO	154,432	154,432	100%
CT	64,479	64,479	100%
DE	15,829	15,829	100%
FL	669,914	669,914	100%
GA	137,633	140,718	98%
HI	35,921	35,921	100%
IA	88,337	88,337	100%
ID	11,991	11,991	100%
IL	686,963	686,963	100%
IN	75,020	75,020	100%
KS	163,410	163,410	100%
KY	75,531	75,531	100%
LA	66,769	66,787	100%
MA	24,985	124,832	20%
MD	143,131	171,581	83%
ME	7,639	13,927	55%
MI	361,443	361,633	100%
MN	155,724	170,998	91%
MO	125,942	126,718	99%
MS	75,612	75,612	100%
MT	10,919	10,919	100%
NC	275,444	275,444	100%
ND	12,233	12,233	100%
NE	80,525	80,525	100%
NH	0	12,634	0%
NJ	197,869	197,869	100%
NM	76,149	76,464	100%
NV	60,714	60,714	100%
NY	293,895	359,129	82%
OH	148,859	240,259	62%
OK	129,664	129,664	100%
OR	178,005	178,005	100%
PA	173,735	175,574	99%
RI	24,579	24,579	100%
SC	116,786	116,786	100%
SD	2,283	5,130	45%
TN	121,655	121,655	100%
TX	706,941	707,275	100%
UT	43,695	43,695	100%
VA	213,678	213,838	100%
VT	7,998	7,998	100%
WA	311,496	311,496	100%
WI	218,071	235,516	93%
WV	11,057	11,547	96%
WY	31,204	31,204	100%
TOTAL	8,510,797	8,857,423	96%

**Tuition and Required Fees
Public 2-Year Institutions
1996-97 (Estimates)**

State	Number of Students with Tuition Under \$4,000	Total Number Enrolled Full-Time/Full-Year	Percent with Tuition Under \$4,000
AK	2,787	2,787	100%
AL	264,763	264,763	100%
AR	47,013	47,013	100%
AZ	268,146	268,146	100%
CA	1,339,929	1,339,929	100%
CO	154,432	154,432	100%
CT	64,479	64,479	100%
DE	15,829	15,829	100%
FL	669,914	669,914	100%
GA	140,718	140,718	100%
HI	35,921	35,921	100%
IA	88,337	88,337	100%
ID	11,991	11,991	100%
IL	686,963	686,963	100%
IN	75,020	75,020	100%
KS	163,410	163,410	100%
KY	75,531	75,531	100%
LA	66,769	66,787	100%
MA	124,459	124,832	100%
MD	171,581	171,581	100%
ME	13,927	13,927	100%
MI	361,633	361,633	100%
MN	167,289	170,998	98%
MO	125,942	126,718	99%
MS	75,612	75,612	100%
MT	10,919	10,919	100%
NC	275,444	275,444	100%
ND	12,233	12,233	100%
NE	80,525	80,525	100%
NH	12,634	12,634	100%
NJ	197,869	197,869	100%
NM	76,149	76,464	100%
NV	60,714	60,714	100%
NY	359,129	359,129	100%
OH	239,946	240,259	100%
OK	129,664	129,664	100%
OR	178,005	178,005	100%
PA	174,492	175,574	99%
RI	24,579	24,579	100%
SC	116,786	116,786	100%
SD	5,130	5,130	100%
TN	121,655	121,655	100%
TX	707,275	707,275	100%
UT	43,695	43,695	100%
VA	213,838	213,838	100%
VT	7,998	7,998	100%
WA	311,496	311,496	100%
WI	235,205	235,516	100%
WV	11,517	11,547	100%
WY	31,204	31,204	100%
TOTAL	8,850,496	8,857,423	100%

Tuition and Required Fees
All Public Institutions
1996-97 (Estimates)

State	Number of Students with Tuition Under \$1,500	Total Number Enrolled Full-Time/Full-Year	Percent with Tuition Under \$1,500
AK	2,787	57,134	5%
AL	255,181	394,581	65%
AR	47,013	119,794	39%
AZ	268,146	355,430	75%
CA	1,339,929	1,643,613	82%
CO	101,681	278,634	36%
CT	943	119,114	1%
DC	23,517	23,517	100%
DE	15,829	41,934	38%
FL	608,270	870,436	70%
GA	129,944	302,846	43%
HI	36,809	59,664	62%
IA	0	147,195	0%
ID	11,991	56,996	21%
IL	553,619	857,988	65%
IN	55	275,412	0%
KS	162,615	253,599	64%
KY	68,518	178,838	38%
LA	66,769	220,218	30%
MA	121	228,442	0%
MD	14,139	280,731	5%
ME	0	51,369	0%
MI	148,916	585,784	25%
MN	34	302,813	0%
MO	123,065	248,637	49%
MS	75,612	133,847	56%
MT	4,794	42,423	11%
NC	289,629	427,742	68%
ND	1,455	44,001	3%
NE	79,826	134,609	59%
NH	0	39,342	0%
NJ	265	318,022	0%
NM	75,697	123,270	61%
NV	60,714	94,979	64%
NY	4,331	702,359	1%
OH	0	433,033	0%
OK	117,970	223,396	53%
OR	63,238	236,594	27%
PA	15,088	368,348	4%
RI	0	47,033	0%
SC	105,058	193,041	54%
SD	0	37,858	0%
TN	121,655	235,717	52%
TX	747,850	1,111,384	67%
UT	11,848	131,914	9%
VA	45	358,163	0%
VT	0	25,597	0%
WA	233,889	404,138	58%
WI	18,955	381,139	5%
WV	9,945	78,000	13%
WY	31,204	41,989	74%
TOTAL	6,048,959	14,322,657	42%

Source: IPEDS Institutional Characteristics File, 1994-95

**Tuition and Required Fees
All Public Institutions
1996-97 (Estimates)**

State	Number of Students with Tuition Under \$2,500	Total Number Enrolled Full-Time/Full-Year	Percent with Tuition Under \$2,500
AK	42,586	57,134	75%
AL	336,370	394,581	85%
AR	103,051	119,794	86%
AZ	355,430	355,430	100%
CA	1,637,440	1,643,613	100%
CO	211,432	278,634	76%
CT	65,409	119,114	55%
DC	23,517	23,517	100%
DE	19,676	41,934	47%
FL	854,395	870,436	98%
GA	262,865	302,846	87%
HI	59,664	59,664	100%
IA	88,337	147,195	60%
ID	56,996	56,996	100%
IL	700,566	857,988	82%
IN	75,020	275,412	27%
KS	245,507	253,599	97%
KY	140,156	178,838	78%
LA	169,099	220,218	77%
MA	24,992	228,442	11%
MD	147,257	280,731	52%
ME	7,639	51,369	15%
MI	361,443	585,784	62%
MN	155,724	302,813	51%
MO	152,810	248,637	61%
MS	76,229	133,847	57%
MT	42,423	42,423	100%
NC	427,742	427,742	100%
ND	24,429	44,001	56%
NE	112,074	134,609	83%
NH	0	39,342	0%
NJ	197,869	318,022	62%
NM	122,955	123,270	100%
NV	94,979	94,979	100%
NY	299,153	702,359	43%
OH	148,859	433,033	34%
OK	213,828	223,396	96%
OR	178,005	236,594	75%
PA	173,735	368,348	47%
RI	24,579	47,033	52%
SC	116,786	193,041	60%
SD	5,121	37,858	14%
TN	235,095	235,717	100%
TX	1,088,423	1,111,384	98%
UT	105,271	131,914	80%
VA	213,678	358,163	60%
VT	7,998	25,597	31%
WA	311,496	404,138	77%
WI	230,937	381,139	61%
WV	77,510	78,000	99%
WY	41,989	41,989	100%
TOTAL	10,868,544	14,322,657	76%

**Tuition and Required Fees
All Public Institutions
1996-97 (Estimates)**

State	Number of Students with Tuition Under \$4,000	Total Number Enrolled Full-Time/Full-Year	Percent with Tuition Under \$4,000
AK	57,134	57,134	100%
AL	394,581	394,581	100%
AR	116,635	119,794	97%
AZ	355,430	355,430	100%
CA	1,637,934	1,643,613	100%
CO	274,652	278,634	99%
CT	102,058	119,114	86%
DC	23,517	23,517	100%
DE	19,676	41,934	47%
FL	854,395	870,436	98%
GA	302,692	302,846	100%
HI	59,664	59,664	100%
IA	147,195	147,195	100%
ID	56,996	56,996	100%
IL	810,040	857,988	94%
IN	275,412	275,412	100%
KS	253,599	253,599	100%
KY	178,838	178,838	100%
LA	220,187	220,218	100%
MA	169,762	228,442	74%
MD	250,549	280,731	89%
ME	39,642	51,369	77%
MI	520,503	585,784	89%
MN	294,532	302,813	97%
MO	243,047	248,637	98%
MS	133,847	133,847	100%
MT	42,423	42,423	100%
NC	427,742	427,742	100%
ND	44,001	44,001	100%
NE	134,609	134,609	100%
NH	24,622	39,342	63%
NJ	261,274	318,022	82%
NM	122,955	123,270	100%
NV	94,979	94,979	100%
NY	694,040	702,359	99%
OH	428,781	433,033	99%
OK	213,828	223,396	96%
OR	236,155	236,594	100%
PA	179,886	368,348	49%
RI	33,660	47,033	72%
SC	188,399	193,041	98%
SD	36,729	37,858	97%
TN	235,602	235,717	100%
TX	1,108,026	1,111,384	100%
UT	131,914	131,914	100%
VA	262,183	358,163	73%
VT	7,998	25,597	31%
WA	401,087	404,138	99%
WI	378,226	381,139	99%
WV	77,970	78,000	100%
WY	41,989	41,989	100%
TOTAL	13,601,595	14,322,657	95%

THE WHITE HOUSE
WASHINGTON

\$1800 \$900 1/2 time

Part time or full time

2 yrs credit, 2nd 2 yrs deduction

B arg. - 2nd chance

10% increase

SPM
752-2104
Rm 9191

academic rights
frankie
adlt lifetime

→ Crime measures
arm studs, Face ID,
computerized fingerprinting,
police cars, mandatory DNA testing,
cell phones

→ Statutory rape resulting in impregnation
- 19 yrs - presents for child abuse

— HOPE —
1996-97 Academic Year



With
HOPE,
The Cost
Of Higher
Education
In Georgia
Is Getting
A Lot
Lower.

HOPE Can Help You Get the Education You Want.

HOPE — *Helping Outstanding Pupils Educationally* — is Georgia's unique scholarship program that rewards students' hard work with financial assistance in degree, diploma, or certificate programs at any eligible Georgia public or private college, university, or technical institute. Since the program's establishment, nearly 200,000 Georgians have benefitted from this program funded by the Georgia Lottery for Education.

You can benefit from HOPE in several ways. If you wish to enroll in a degree program at a Georgia public college or university, you may be eligible for financial assistance covering tuition, mandatory fees, and a book allowance. The HOPE Scholarship Program also provides an opportunity for students already in public college or those who wish to return to public college.

If you wish to enroll in a Georgia private college, you may be eligible for a \$3,000 annual scholarship for tuition and mandatory fees. You may also receive financial assistance for non-degree programs at any Georgia public technical institute. Other HOPE assistance is available for GED recipients.

This brochure will provide more details about the HOPE program to help you get started. For information about the HOPE Teacher Scholarship Program or the PROMISE Teacher Scholarship Program for teachers and individuals who want to teach in Georgia public schools, please contact the HOPE Scholarship Program.

Here's How HOPE Can Help You.

1. HOPE for Students Attending a Georgia Public College or University.

If you wish to enroll in a degree program as an entering freshman at a Georgia public college or university, you must have the following qualifications:

- Be a Georgia resident.
- Be a 1993 or later high school graduate.
- Earn a 'B' average (a 3.0 cumulative grade average on a 4.0 scale, or 80 numeric grade average; meeting the college preparatory track; if you are in any other curriculum track, you must have a 3.2 cumulative grade average on a 4.0 scale, or 85 numeric grade average)

Students who graduate from high school in the year 2000 and thereafter will be required to earn a 'B' average in their core-curriculum subjects. Students must also graduate meeting the curriculum requirements in their program of study.

Students may receive first-year HOPE assistance for the first 45 credit hours attempted at any Georgia public college or university, which includes tuition, mandatory fees, and a book allowance up to \$100 per quarter. Full-time enrollment is not required.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants received.

Students may renew the scholarship for their sophomore, junior, and senior years. To do so, you must:

- Maintain a 3.0 cumulative grade average.
- Reapply for the scholarship by completing the Free Application for Federal Student Aid (FAFSA) or, if applicable, the HOPE Alternate Application.
- Be making satisfactory academic progress.

Second-Chance Opportunity for Students to Re-enter HOPE:

HOPE is a reward for scholastic achievement and an incentive to continue working hard in school. If after attempting 45 hours in a public college you fall below a 3.0, you may continue your sophomore year at your own expense. If you then earn a cumulative 3.0 grade average at the completion of your sophomore year (90 attempted hours), you will be given a second chance to receive a HOPE scholarship for your junior year with the opportunity to renew the scholarship for your senior year (135 attempted hours).

HOPE for Students Already in Public College or Returning to Public College:

If you graduated from high school prior to the establishment of the HOPE program in 1993, or if you are not academically eligible for a HOPE scholarship immediately after high school graduation, you may be eligible for a HOPE scholarship after attempting 90 hours of study, if you obtain a cumulative 3.0 grade average for your first two years of study.

NOTE: Students attending a Georgia public college or university who are seeking a diploma or certificate rather than a degree should refer to Section 2 below.

2. HOPE for Students Attending a Georgia Public Technical Institute.

Georgia residents attending a Georgia public technical institute to earn a certificate or diploma are eligible for HOPE assistance regardless of high school graduation date or grade average. The HOPE Scholarship Program covers tuition, mandatory fees, and a book allowance up to \$100 per quarter.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants received.

You may receive HOPE assistance for a total of two programs of study leading to a certificate or diploma. Full-time enrollment is not required, but the student must be making satisfactory academic progress to maintain eligibility.

NOTE: Students seeking degrees at a Georgia technical institute must follow the qualifications for students seeking degrees at Georgia's public colleges or universities. Refer to Section 1.

3. HOPE for Students Attending Private Colleges or Universities.

If you wish to enroll in a degree program as an entering freshman at a Georgia private college or university, you must have the following qualifications:

- Be a Georgia resident.
- Be a 1996 or later high school graduate.
- Earn a 'B' average (a 3.0 cumulative grade average on a 4.0 scale, or 80 numeric grade average, meeting the college preparatory track; if you are in any other curriculum track, you must have a 3.2 cumulative grade average on a 4.0 scale, or 85 numeric grade average).

Students who graduate from high school in the year 2000 and thereafter will be required to earn a 'B' average in their core-curriculum subjects. Students must also graduate meeting the curriculum requirements in their program of study.

Students may receive a HOPE scholarship in the amount of \$3,000 per academic school year for the first 30 semester hours attempted (45 quarter hours). Full-time enrollment is required. As a full-time student and a Georgia resident, you may also be eligible for an additional \$1,000 from the Georgia Tuition Equalization Grant.

HOPE scholarships may be applied only to tuition and mandatory fees not covered by Pell or other Federal grants received.

Students may renew the scholarship for their sophomore, junior, and senior years. To do so, you must:

- Maintain a 3.0 cumulative grade average.
- Reapply for the scholarship by completing the appropriate forms as designated by the financial aid office at the institution you attend.
- Be making satisfactory academic progress.

Second-Chance Opportunity for Students to Re-enter HOPE:

HOPE is a reward for scholastic achievement and an incentive to continue working hard in school. If after attempting 30 semester hours (45 quarter hours) in a private college you fall below a 3.0, you may continue your sophomore year at your own expense. If you then earn a cumulative 3.0 grade average at the completion of your sophomore year (60 attempted semester hours or 90 quarter hours), you will be given a second chance to receive a HOPE scholarship for your junior year with the opportunity to renew the scholarship for your senior year (90 attempted semester hours or 135 quarter hours). As a Georgia resident and full-time student (12 hours), you may continue to receive the Georgia Tuition Equalization Grant in the amount of \$1,000 per academic school year.

HOPE for Students Already Attending an Eligible Private College:

If you attended an eligible private college or university for at least one school term beginning summer 1995 through summer 1996 and received the HOPE grant in the amount of \$1,500 per academic year, you may be eligible to continue receiving this tuition assistance through spring 1999. If you do not meet this qualification, you may only be eligible for the Georgia Tuition Equalization Grant of \$1,000 per academic year. You must continue to be a full-time student (12 hours) making satisfactory academic progress.

For more information, see the 1996-97 HOPE brochure for private colleges.

4. HOPE for GED Recipients at Georgia Postsecondary Institutions.

Georgia residents who earned a General Education Development (*high school equivalency*) certificate awarded by the Georgia Department of Technical and Adult Education after June 30, 1993 may receive a one-time \$500 HOPE award. This can be used toward tuition, books, and other educational costs at an eligible public technical institute or public or private college or university in a degree, diploma, or certificate program.

Full-time enrollment is not required. Students must use their HOPE eligibility within 24 months of the date of the GED certificate. Military personnel have 52 months to exercise eligibility.

In addition to the \$500 award, GED recipients may also qualify for assistance through other components of HOPE.

How to Apply for HOPE.

Just follow these steps:

- Students planning to attend a public technical institute, college, or university must complete the Free Application for Federal Student Aid (FAFSA) or, if applicable, the HOPE Alternate Application. The FAFSA is available from high school guidance offices, college financial aid offices, or technical institutes, and from the HOPE Scholarship Program. It is used to determine eligibility for Federal aid such as the Pell Grant.
- The FAFSA includes a section for the applicant to indicate which schools he or she is considering so the information can be sent to those schools. The student should then apply for admission at each school.
- Some colleges and technical institutes also require the student to complete the school's financial aid application. The financial aid office at the school will advise the student if this is necessary and of the deadline dates.
- 1996 high school graduates as entering freshmen attending eligible private colleges or universities must complete the Georgia Tuition Assistance Grant Application. You may also be required to complete the FAFSA or the HOPE Alternate Application. These forms are available at all eligible Georgia private colleges or universities.
- Renewal students attending an eligible private college or university must complete the Georgia Tuition Assistance Grant Application to continue receiving the HOPE grant and the Tuition Equalization Grant.

How to Get Additional Information.

You may call the HOPE Scholarship Program for more information.

Call toll-free 1-800-546-HOPE. In Metro Atlanta, call (770) 414-3085.

The financial aid office at the postsecondary school can provide information on tuition costs, residency determination, and coursework eligible for HOPE assistance. Contact them directly.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

01-Jun-1996 09:16pm

TO: Bruce N. Reed

FROM: Jason S. Goldberg
National Economic Council

SUBJECT: A couple of notes

You may or may not want to use this for the speech:

1. They have a motto in Georgia that echoes the President's personal responsibility themes: "You can get HOPE if your grades are right"
2. 70% of University of Georgia freshman this year recieved HOPE scholarships.

You should also know (not for the speech) that they eliminated the \$100,000 cap this year for two reasons: (1) they found that less than 5% of eligible students were affected; (2) Miller wanted to make sure the program was available to all families in the state, not a welfare entitlement to the bottom.

78TH ARKANSAS GENERAL ASSEMBLY
1991-1992

BILL CLINTON, GOVERNOR

JERRY BOOKOUT, PRESIDENT PRO-TEM
ARKANSAS SENATE

JOHN LIPTON, SPEAKER OF THE HOUSE
ARKANSAS HOUSE OF REPRESENTATIVES



The Honorable Bill Clinton
Governor
State of Arkansas

The 1990s can be a decade of progress for Arkansas. But only if we give our best.

Giving our best does not mean denying our problems or our potential.

Giving our best does not mean being timid, even in these troubled and uncertain times.

We must, instead, be bold and recognize that we are a community, and we must go forward together or we will all be limited in what we achieve.

The 1991 legislative session was marked by sweeping reform, rooted in the principles we believe in:

We increased our investment in our people, both middle-income and poor, in order to provide more opportunities for them.

Our people are entitled to more choices in public schools, child care vouchers, the Elder-

choices program for our older citizens, and more options in health care. We have provided these choices.

They are entitled to believe that when we use their money to help other people, those who benefit will behave responsibly. We have tried to ensure that.

They are entitled to an efficient, effective and dynamic government that treats them like valued customers and is committed to constant improvement in how we spend their money and deliver services. We have made a commitment to quality management.

They are entitled to fairness in benefits and taxation through tax reform and access to health care, child care and scholarships for young people from working families. We are moving forward on those fronts.

Arkansas must do its part to reach the National Education Goals. Our education reforms will help us meet these goals, building on the standards we enacted eight years ago.

This is an exciting time. With a commitment to investment, opportunity, responsibility, choice and restructuring government, we can have a great decade in the 1990s.

Bill Clinton

cal equipment.

* **YOUTH APPRENTICESHIP PROGRAMS** will be developed with specific employers to provide motivation for non-college bound students to stay in school and do well, and provide opportunities for them to get good jobs, not dead end ones.

* **THE ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIPS** will benefit not just poor families, but middle-income working families, too. Scholarships of \$1,000 per year will be given to any student who takes the core curriculum in high school, achieves a 2.5 grade point average in those courses, scores a 19 on the ACT, stays off drugs, enrolls in an Arkansas college and has a family income of \$30,000 or less for families with one child and \$35,000 for those with two children. The law allows an extra \$5,000 of family income per child. Over 25 percent of our high school graduates will meet the income eligibility.

* **THE POLICE CORPS** program awards college scholarships to recommended prospective and current police officers who agree to attend the Arkansas Law Enforcement Training Academy upon graduation and serve in a police department or law enforcement agency in the state. Arkansas is the first state in the nation to pass such legislation.

* **SECOND EFFORT SCHOLARSHIPS** will give a tuition scholarship of up to \$1,000 to the top ten scorers on the GED test each year. Arkansas is one of only a few states which provides free GED testing. In 1990, 7,011 people obtained their GED certificate, almost as many people as dropped out of school.

* **ADULT EDUCATION AND LITERACY** programs will increase the numbers of people served, including welfare clients, those sentenced to learn to read in the court system, family literacy and workplace literacy, to 100,000 by 1995. The recent legislative funding increases of \$5 million in fiscal year 1992 and \$7 million in fiscal year 1993 will allow the state to serve about 30,000 more adult learners in the next two years, up from about 42,000 served this year.

Health

* **UNIVERSAL CHILD HEALTH CARE PROGRAM** is a program to provide universal child health care by the year 2000. It emphasizes preventive and primary care for all children 16 and under, regardless of family income and builds on the dramatic expansion of Maternal and Child Health Care in the last two years.

THE WHITE HOUSE
WASHINGTON

June 6, 1996

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM: GENE SPERLING
BRUCE REED
LORRIE MCHUGH

SUBJECT: Media Coverage of the America's HOPE Scholarships Announcement

Your announcement of America's HOPE Scholarships at the Princeton University commencement received enormous press coverage throughout the nation in the two days following the event -- with the overwhelming majority of the coverage being extremely positive. *Attached is a summary of the news coverage, a sampling of nationwide clips, and a page of the best quotes.*

HIGHLIGHTS:

- **Network News Coverage on all 4 Major Networks** -- Including a lead story on *ABC World News Tonight* followed by a profile of the Georgia HOPE Scholarships program.
- **2 Consecutive days of USA Today Articles** -- Including the charts we provided on the cost of average community college tuition in each state and the increases in costs of college tuition as a percentage of family income.
- **2 Consecutive days of New York Times Articles** Including a Front-Page Article and a Mostly Supportive Editorial.
- **3 Washington Post Articles** Including a Front-Page Article and an Editorial.
- **2 New Jersey Star-Ledger Articles** Including a Front-Page Article.
- **Front-Page Articles:**
 - *Washington Post,*
 - *New Jersey Star-Ledger,*
 - *St. Louis Dispatch,*
 - *Chicago Tribune,*
 - *New York Times,*
 - *Minneapolis Star-Tribune,*
 - *Baltimore Sun,*
- **Pictures of the President at the Princeton commencement:**
 - *Los Angeles Times,*
 - *Atlanta Journal Constitution,*
 - *St. Louis Dispatch,*
 - *Richmond Times-Dispatch,*
 - *Miami Herald,*
 - *Louisiana Times-Picayune,*
 - *Washington Times,*
 - *New Jersey Star-Ledger*
 - *Hartford Courant,*
 - *Baltimore Sun,*
 - *Chicago Tribune,*
 - *Asbury Park Press.*

PRAISE FOR PRESIDENT CLINTON'S ANNOUNCEMENT OF AMERICA'S HOPE SCHOLARSHIPS

- **Senator Bob Dole:** "President Clinton had an idea that was pretty good and that was credits for two-year college students." [Source: Senator Bob Dole, Indianola Iowa campaign event, February 3, 1996]
- **Rep. John Kasich (R-OH):** Response to a question on the President's HOPE Scholarships "...If the President wants to reduce government, empower people, let people keep more of what they earn, I'm all for it. ...I think it is a great idea." [Source: CNN, "Moneyline with Lou Dobbs," May 4, 1996]
- **Governor Zell Miller (D-GA),** "I'm here to tell you this program will work. It's something that will make a difference in the lives of the people of this country. I've seen it work..." [Source: *The Philadelphia Inquirer*, June 6, 1996]
- **Whit Ayres, GOP Pollster.** "The HOPE scholarship has been remarkably successful," [Source: *The Atlanta Constitution*, June 5, 1996]
- **Brit Hume, ABC News:** "Basically, the President is offering everybody in America one year of college, tuition-free" [June 5, 1996]
- **Arnold Packer, Johns Hopkins University's Institute for Policy Studies.** "It seems at first blush to be a good idea. There's a shortage of people with enough education in the work force, and there is evidence, that rising costs are a factor: Over the last few years, tuition has steadily gone up and we've seen a diminution of attendance at community colleges." [Source: *Wall Street Journal*, June 5, 1996]
- **David Pierce, Director of the American Association of Community Colleges.** "Chances are this type of initiative will cause students to enroll in universities, I tend to think there is an overall benefit to all students at all institutions." [Source: *The USA Today*, June 6, 1996]
- **New York Times Editorial:** "[President Clinton] would give a \$1,500 a-year tax credit for two years to families earning up to \$100,000 a year and paying college tuition... The idea of a tuition tax credit is better than anything Mr. Dole has offered. The credit subsidizes education -- a better idea than Mr. Dole's proposal to cut gasoline taxes, which subsidize pollution." [Source: *New York Times Editorial*, June 5, 1996]
- **Washington Post Editorial:** "Americans are now entitled to 12 years of public education. As the President himself observed yesterday, this [America's HOPE Scholarship] would basically extend the system to 14 years -- make 'two years of college as universal as four...of high school.'" [Source: *Washington Post*, May 5, 1996]

- ***San Francisco Chronicle:*** "Hurray for College Tax Credit...the government could hardly make a better investment in the nation's future. ...And the President deserves praise -- not Dole's knee-jerk political sneering -- for spelling out precisely how he would pay for the plan without increasing the deficit." [Source: San Francisco Chronicle, June 5, 1996]
- **Ronald Temple, Chancellor of City Colleges of Chicago:** "In Chicago alone, it would certainly open the door to literally thousands of young and not-so-young people who would otherwise not pursue the option of a college degree," [Source: The Chicago Tribune, June 6, 1996]
- ***Wall Street Journal.*** "President Clinton has put his finger on the problem: Many Americans feel priced out of college, yet higher education is the 'key to a successful future' in an economy that increasingly shortchanges workers. ...To that end, he significantly expanded on his existing proposal for an income-tax deduction covering as much as \$10,000 in post-secondary tuition costs each year for families with annual incomes up to \$100,000. The new plan also would offer a \$1,500 annual tax credit for two years, enough to cover the tuition costs of most community colleges or provide a down payment at four-year institutions." [Source: Wall Street Journal, June 6, 1996]

SUMMARY OF MEDIA COVERAGE OF THE PRINCETON SPEECH

TELEVISION COVERAGE

- **NBC Today Show.** Jim Miklaszewski reported that the President would be traveling to Princeton University to deliver the commencement address and to announce a new tax cut to help pay for college tuition.
- **ABC Good Morning American.** Catherine Berger reported that the President would announce a new tax cut for middle-income college students in his Princeton commencement address.
- **CNN Inside Politics -- Morning Edition.** Jill Doherty was the first reporter to announce details of the proposal, during an extensive piece immediately-prior to the President's speech. Doherty reported that the President would announce a new tax cut to help pay for the first two years of college tuition -- making college free for more than 2/3 of community college students nationwide. Doherty reported that the proposal was modeled on the successful Georgia HOPE Scholarship program.
- **ABC Evening News -- Lead Story and Follow-up Story on Georgia HOPE Scholarships.** Anchor Peter Jennings said President Clinton, at a University graduation today, called on all Americans to work for their own prosperity in a new economy by going to college for at least 2 years, and said he would offer a tax credit to everyone who wanted to go. Brit Hume said, "Basically, the President is offering everybody in America one year of college, tuition-free." Hume reported that the White House said the \$7 billion this plan would cost over five years would be covered by raising taxes on multinational corporations, international travelers, and by selling publicly owned radio broadcast frequencies.

- Visuals:
- 1) Clip of the President in university dress walking in ceremony.
 - 2) Clip of the President: "We will give you a tax credit to pay the college tuition at the average community college for your first year or you can apply the same amount to the first year in a four-year university or college."
 - 3) Clip of the President: "If you are 40 and you are worried you need more education to support your family, now you can go part-time, go at night, by all means go to college and we'll pay the tuition."
 - 4) Clip of Dole: "There he goes again. Who knows what taxes he'll increase if he should be re-elected."

- **CBS Evening News -- 8th Story in Broadcast.** Dan Rather reported that President Clinton went to Princeton offering tax breaks for college tuition, when he gave the university's commencement address. Rather said that this became the latest round of campaign battle with Dole for control for the national agenda on tax policy. Correspondent Rita Braver said Clinton's tax proposal was aimed at attracting all students into post high school education. Braver said that this plan would work in conjunction with an earlier Clinton proposal that would allow low and middle income families to take a \$10,000 tax deduction for four years of college. Braver said this plan would cost \$7 billion over five years, and the President said he would juggle other programs to pay for it. Braver said the White House tried it to undercut expected tax cuts offered by Dole, who brushed aside Clinton's plan.

- Visuals
- 1) Clip of the President: "If you are willing to work hard and take a chance, you can at least go to your local community college."
 - 2) Clip of the President: "Your America would be stronger if all Americans have at least a two-year education."
 - 3) Clip of Dole: "There he goes again. Who knows what taxes he'll increase if he should be re-elected."

- **NBC Nightly News -- 4th Story in Broadcast.** Tom Brokaw reported that President Clinton tried to catch up to Dole's tax cutting proposals but the sound of Whitewater was heard running through the White House. Correspondent Brian Williams said the White House denies playing "can you top this" or "beat the clock" with Dole on tax cutting. Williams said Clinton gave the commencement address unveiling his idea of a tax cut in the form of education aid for Americans. Williams reported that the President proposed a \$1,500 tax credit per student for the first two years of college provided the student maintains a "B" average and remains drug free."

- Visual:
- 1) Clip of the President at the podium at Princeton. No soundbite.

- **CNN -- Numerous Stories Throughout the Day; Featured on *Moneyline* with Lou Dobbs.**

PRINT COVERAGE

- **Los Angeles Times.** Page 4 of Front Section -- Picture of President Clinton at Princeton. **Headline:** "Clinton Links Tax Credit, College Fees."
Sub-Headline: "Education: The President, at Princeton, proposes a break for up to \$1,500 annually during the first two years of school. The Dole campaign attacks the move as a 'tax increase.'"
Lead: "In a commencement address at Princeton University, Clinton said the new tax credit was intended to expand the "standard of education" for Americans from the current 12 years of primary and secondary education to at least two years of college education."
- **New York Times.** FRONT PAGE article on the Princeton speech. **Headline:** "Clinton Proposes U.S. Tax Credits for College Aid : Help for Middle Class...At Princeton Commencement a Move to Beat G.O.P. to Punch on Tax Relief." **Lead:** "Proclaiming higher education the linchpin of economic progress, President Clinton came to one of the most costly colleges to propose a new \$1,500 tax credit aimed at making the first two years of college for Americans as high school already is."
- **New York Times.** Editorial. **Headline:** Tax-Cut Tactics. In this editorial, the New York Times commended your policy: "The idea of a tuition tax credit is better than anything Mr. Dole has offered. The credit subsidizes education - a better idea than Mr. Dole's proposal to cut gasoline taxes, which subsidizes pollution."
- **New York Times.** 6/06/96. Page 20 of the Front Section. **Headline:** "Aid Plan That Inspired Clinton is Success...a free education for high school students with B+ averages."
- **Wall Street Journal.** Page 16 of Front Section. **Headline:** "Clinton Greatly Expands Tax-Break Proposal on Tuition Costs for Post-Secondary Education." **Lead:** "President Clinton has put his finger on the problem: Many Americans feel priced out of college, yet higher education is the "key to a successful future" in an economy that increasingly shortchanges unskilled workers."
- **Washington Post.** FRONT PAGE article on the Princeton speech. **Headline:** "Clinton Calls for College Tax Credit." **Sub-Headline:** "Proposal Would Allow Refundable Break Worth Up to \$1,500."
- **Washington Post.** Page 15 of Front Section. **Headline:** "Opening Bets in the Tax-Cut Sweepstakes." **Sub-Headline:** "Some Economists and Top Advisors Opposed Clinton's Proposed Break for Higher Education."

- **Washington Post. Editorial.** Headline: There They Go Again - Again. In this editorial the Washington Post criticizes you for the timing and effectiveness of the tax cut, while also addressing impact of the proposed tax cut. "This would make a limited amount of aid pretty close to universal and automatic. Americans now are entitled to 12 years of public education. As the President himself observed yesterday, this would basically extend the system to 14 years instead - make 'two years of college as universal as four...of high school.'"
- **USA Today.** Headline: "Clinton Makes Future His Centerpiece: Campaign will stress economy and education." Insert: "Student tax credit pitched."
- **USA Today. 6/06/96. Page 3 of Front Section -- Picture of President delivering speech.** Headline: "The Economics of Education." Sub-Headline: "Experts Give Tax Credit Mixed Marks."
- **Washington Times. Picture of President Clinton receiving honorary degree.** Headline: "Clinton Urges College-Tuition Tax Credit." Sub-Headline: "Good Students Would Get up to \$1,500 a Year."
- **Atlanta Journal Constitution. Picture of President arriving at commencement.** Headline: "Clinton Plan Borrows from Miller's HOPE." "For Miller, the President's endorsement of HOPE validated what the governor has been saying since HOPE's inception in 1983: It is a program worthy of national emulation."
- **Atlanta Journal Constitution.** Headline: "Tuition Tax Credit Plan Draws Mixed Reaction."
- **New Jersey Star-Ledger. FRONT PAGE Picture of President at Princeton.** Caption: "President Clinton greets the crowd at Princeton University's graduation, where he suggested that America should encourage higher education by giving students a \$1,500 tuition tax credit."
- **New Jersey Star-Ledger. Page 14 of Front Section.** Headline: "Clinton uses Princeton Graduation to Suggest \$1,500 Tuition Credit."
- **New Jersey Star-Ledger. Page 15 of Front Section -- Picture of President at Princeton.** Headline: "Message of Opportunity Rings True Across a Broad Spectrum." Lead: "Speaking at Princeton University, President Clinton invoked the American Dream yesterday and challenged the graduating class of one of the countries most elite institutions to make this a land of opportunity for all."
- **Newsday.** Headline: "Clinton Proposes College Tax Credit."
- **Augusta Chronicle.** Headline: "Clinton Copies HOPE Plan."

- ***Macon Telegraph.*** Article -- Picture of President and Governor Miller. Headline: "Clinton Seeks Tax Break for College Tuition."
- ***Minneapolis Star-Tribune.*** FRONT PAGE. Headline: "Clinton Offers Tax Credit to Help Finance the First Two Years of College...Clinton's call for \$1,500 tuition tax credit raises stakes with Dole."
- ***Detroit Free Press.*** Page 6 of Front Section. Headline: "Clinton Proposes College-Education Tax Credits." Sub-Headline: "GOP Leaders Slam Idea as Campaign Stunt."
- ***St. Louis Dispatch.*** FRONT PAGE Article -- Picture of President at Princeton. Headline: "Clinton Pushes Tax Incentives For Tuition." Sub-Headline: "\$1,500 Credit Per Year Would Offset College Costs."
- ***Hartford Courant.*** Page 4 of Front Section -- Picture of President delivering Princeton Speech. Headline: "Clinton Proposes \$1,500 Tax Credits to Pay for College." Same article as FRONT PAGE of the *Washington Post*.
- ***Richmond Times-Dispatch.*** Page 8 of Front Section -- Picture of President at Princeton. Headline: "Clinton Asks Tax Credits for College."
- ***Baltimore Sun.*** FRONT PAGE Article -- Picture of President receiving honorary degree. Headline: "Clinton Pushes College Tax Credit...Clinton offers tax credit for first 2 years of college." Sub-Headline: "For First 2 years, Eligible Families Could Get \$3,000."
- ***Miami Herald.*** Page 6 of Front Section -- Picture of President. Headline: "Clinton Proposes Tuition Tax Break."
- ***Chicago Tribune.*** FRONT PAGE -- Color Picture of President. Headline: "Clinton Adds Taxes to Campaign's Mix." Sub-Headline: "The Proposal for a Tuition Tax Credit is a Political Broadside in the Presidential Race."
- ***Louisiana Times-Picayune.*** Page 15 of the Front Page -- Picture of President. Headline: "\$1,500 College 'Credit' Offered...Clinton tax plan covers two years."
- ***Detroit News.*** Page 5 of the Front Page. Headline: "Clinton Calls for College Tax Credit." Sub-Headline: "Pushing a \$1,500-a-person plan, President says 'we'll pay the tuition' for the first two years."
- ***San Francisco Chronicle.*** Editorial. Headline: "Hurray for College Tax Credit." In this editorial the San Francisco Chronicle praises you for a plan stating, "the government could hardly make a better investment in the nation's future...Regarding the importance of higher education the President's priorities are in proper order."

- ***Houston Chronicle.*** FRONT PAGE Article. Headline: "Tax Credit for Tuition Proposed; Clinton Plan Offers \$1,500 for College."
- ***Sacramento Bee.*** FRONT PAGE Article. Headline: "Clinton Asks for New Aid for College."
- ***Asbury Park Press*** (Central New Jersey). Picture of President at Princeton. Headline: "Clinton Outlines College Tax Credit Plan at Princeton."
- ***Home News & Tribune*** (New Jersey). Headline: "Clinton Touts \$3,000 in Tuition Breaks at \$120,000 Princeton."
- ***Home News & Tribune*** (New Jersey). Headline: "Clinton Tax Plans Push Higher Education."
- ***Princeton Town Topics.*** Article -- Picture of President delivering speech. Headline: "Clinton Calls for Increased Investment in Education at Princeton University's 249th Commencement."
- ***Trenton Times.*** Headline: "College Credit Pitch Commences." Sub-Headline: "Clinton Addresses Princeton Grads."
- ***Trenton Times.*** Headline: "Clinton Follows LBJ, 30 Years Later."

CLIPS

CLINTON LIBRARY PHOTOCOPY

NATION



President Clinton is awarded an honorary degree at Princeton University, where he delivered the commencement address. Reuters

Clinton Links Tax Credit, College Fees

Education: The President, at Princeton, proposes a break for up to \$1,500 annually during first two years of school. The Dole campaign attacks the move as a 'tax increase.'

By RONALD BROWNSTEIN
TIMES POLITICAL WRITER

PRINCETON, N.J.—Appearing at one of the nation's most expensive private universities, President Clinton on Tuesday proposed a new tax credit intended to make college more affordable for all high school graduates.

In a commencement address at Princeton University, Clinton said the new tax credit was intended to expand the "standard of education" for Americans from the current 12 years of primary and secondary education to at least two years of college education.

With earnings increasingly tied to education, Clinton said, "Our goal must be nothing less than to make the 13th and 14th year of education as universal as the first 12 are today."

To reach that goal, Clinton proposed a tax credit for tuition costs of up to \$1,500 annually during the first two years of college. Such a subsidy, Clinton argued, would allow all Americans to afford at least a community college education.

Clinton's call for a new tuition tax credit raised the bidding in the election-year tax-cutting competition between Clinton and Kansas Sen. Bob Dole, the presumptive GOP nominee who has been considering a variety of tax reduction plans.

Dole campaign officials refused to even recognize Clinton's proposal as a tax cut, denouncing it as a "tax increase." That's because Clinton said he would pay for it partly by raising fees on passengers leaving the U.S. on international flights to \$16 from

\$6, and reducing a tax credit for U.S. companies with international sales. The White House said it would cover the plan's remaining cost by auctioning off part of the radio spectrum now used for subscription-based wireless services.

"There he goes again," Dole said, parroting a line GOP presidential candidate Ronald Reagan used against then-President Carter in a 1980 debate. "Who knows what taxes he'll increase if he should be reelected."

The proposed tax credit would cover only a small share of the tuition at elite private schools such as Princeton, which charges \$21,000 annually.

But White House officials said the credit—which provides a dollar for dollar reduction in federal taxes—would offset the full cost of tuition for two-thirds of the nation's community college students; the average tuition at California community colleges is \$363 annually, according to Department of Education figures.

Under the proposal, high school graduates would be eligible for the credit during their first year in college; to retain eligibility for the second year, students would have to earn at least a B average and avoid drug-related convictions.

Just under half the work force now has only a high school degree or less; the rest divides equally between those with at least a four-year college degree, and those with some college but not a four-year degree, according to the Bureau of Labor Statistics. In the last 20 years, the gap between the earnings of college-educated workers and

those without advanced education has sharply widened.

"More than ever before in the history of the United States, education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy," Clinton said. "Now, we have to work to give every American that kind of opportunity."

With Congress unlikely to act on the tax credit idea this year, the proposal was noteworthy mostly for illuminating Clinton's continuing efforts to define a politically defensible role for Washington in what he christened Tuesday as "a new progressive era."

While Dole and the Republican Congress have argued that the key to economic and social renewal is retrenching the role of government, Clinton continues to argue for government intervention, particularly in increasing access to education and training.

Clinton's call for this new tax credit builds on and overlaps his earlier proposal for a \$10,000 tuition deduction. The deduction would allow families to reduce their taxable income by up to \$10,000 in tuition costs for any form of college or postgraduate education; the credit would reduce a family's actual tax bill by up to \$1,500 annually for the first two years of college expenses.

The credit would be "refundable," which means that if a family's tax burden was less than the value of the credit, it would receive the balance as a refund from the government.

Clinton aides said families could employ either the tax deduction or the credit, but not both. The administration said the credit and deduction would cost \$43 billion annually.

CLINTON PROPOSES U.S. TAX CREDITS FOR COLLEGE AID

HELP FOR MIDDLE CLASS

At Princeton Commencement,
à Move to Beat G.O.P. to
Punch on Tax Relief

By TODD S. PURDUM

PRINCETON, N.J., June 4 — Proclaiming higher education the linchpin of economic progress, President Clinton came to one of the most costly colleges in the nation today to propose a new \$1,500 tax credit aimed at making the first two years of college as commonplace for Americans as high school already is.

With Senator Bob Dole and other Republicans weighing proposals for an across-the-board tax cut of up to 15 percent, Mr. Clinton used a commencement address at Princeton University to argue once again for smaller, more targeted relief to help finance post-secondary education into the next century.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Mr. Clinton told graduates at the university's 249th commencement in front of Nassau Hall, the main campus building, which served briefly as the Capitol of the newly independent United States in 1783. [Excerpts, page B6.]

Mr. Clinton's proposal had been under consideration for months but was sped up in recent days to beat Republicans to the tax-cutting punch, and was finished only Monday night. The plan — which would supplement the President's longstanding proposal for a \$10,000 annual tax deduction for college or vocational education, an idea that has languished in the Republican-controlled Congress for 18 months — would require Congressional approval.

Under the plan announced today, families earning up to \$100,000 a year could choose either a single \$10,000 deduction for the whole family or a direct \$1,500 tax credit for each eligible child, available in the form of a rebate even to those whose taxes are already paid.

The Administration chose \$1,500 because it is slightly above the average nationwide tuition for community colleges, but the money could be applied for any college, public or private, including Princeton, where it would cover just 5 percent of the estimated total annual cost of \$29,400.

White House aides noted that the credit would be more helpful to the typical middle-class family than the earlier proposal for a tax deduction, which would disproportionately help those at higher income levels who itemize deductions.

The program would add about \$8 billion to the estimated \$35 billion cost of the tax deduction over the next six years. Mr. Clinton would finance it through various means: by partly closing a tax loophole on exports by multinational corporations that do business in the United States, by auctioning off radio frequencies for wireless services like paging and home banking, and by increasing the international airline departure tax by \$10, to \$16 per passenger.

Continued on Page B6, Column 1

Continued From Page A1

In proposing a new tax break for education even before his previous proposal has made any legislative progress, the President showed both the limits of his power and the popular appeal of the idea. Indeed, when Mr. Dole faulted Mr. Clinton today for the revenue increases that would be used to pay for the program, the White House swiftly distributed a transcript of a statement by Mr. Dole in February praising the President's idea for tax credits.

The transcript shows that white campaigning in Iowa on Feb. 3, Mr. Dole recalled Congressional talks with the White House over balancing the budget, and said, "I must say, on the junior college level, community college level, in this, in all these 30 hours of talks we talked about, President Clinton had an idea that was pretty good, and that was credits for two-year college students."

Any student would be eligible for the credit for one year; to retain it for the second, he or she would have to maintain a B average and stay off drugs, defined as having no felony drug convictions.

Mr. Clinton modeled the program, which he called "Hope Scholarships," on a program of the same name developed by Gov. Zell Miller of Georgia. Mr. Miller came with him today to promote his idea, which guarantees free public college tuition to any student in the state with a B average.

"It's America's most basic bargain," Mr. Clinton told the graduates. "We'll help create opportunity if you'll take responsibility. That is the basic bargain that has made us a great nation."

Mr. Clinton became the third American President to address a major Princeton ceremony in the last century, and the 18th to receive an honorary degree, but the first sitting President ever to address a commencement here.

Grover Cleveland spoke at a university convocation 100 years ago,

and Harry Truman did so in 1947, in honor of the university's bicentennial.

On the university's 150th anniversary in 1896, Woodrow Wilson, then a professor, delivered an address titled "Princeton in the Nation's Service," which has since become the university's informal motto, and Mr.

Clinton harked back to that theme.

"In 1996, like 1896, we really do stand at the dawn of a profoundly new era," Mr. Clinton said. "I have called it the Age of Possibility because of the revolution in information and technology and market capitalism sweeping the globe — a world no longer divided by the Cold War. Just consider this: there's more computer power in a Ford Taurus every one of you can buy and drive to the supermarket than there was in Apollo 11 when Neil Armstrong took it to the moon."

Mr. Clinton said that expanding

access to higher education would benefit not only the students who receive it, but society as a whole.

"So I ask you never to be satisfied with an age of probability for only the sons and daughters of Princeton," Mr. Clinton said. "You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together. You will, of course, have the ability to succeed in the global economy, even if you have to secede from those Americans trapped in the old economy. But you should not walk away from our common purpose."

A 20

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*
ARTHUR OCHS SULZBERGER, *Publisher 1963-1992*

Tax-Cut Tactics

President Clinton is redefining the art of political response. He moves before his opponent has done anything requiring a response. Last month the President embraced the Wisconsin welfare plan a few days before Bob Dole was to appear with its author, Gov. Tommy Thompson. Yesterday Mr. Clinton jumped ahead of Mr. Dole's expected tax-cut proposal with one of his own. Mr. Clinton's plan is shrewd politics but disagreeable public policy.

The President would give a \$1,500-a-year tax credit for two years to families earning up to \$100,000 a year and paying college tuition. Families too poor to owe taxes would receive the subsidy in cash. The student would have to maintain at least a B average — which seems impressively strict until one notes that in America, as in Lake Wobegon, most students are above average and earn grades of B or higher. The proposal would add an extra \$3 billion to Mr. Clinton's earlier plan to provide tax deductions for postsecondary education.

The idea of a tuition tax credit is better than anything Mr. Dole has offered. The credit subsidizes education — a better idea than Mr. Dole's proposal to cut gasoline taxes, which subsidizes pollution. Its best feature is that it is modest in size. Even so, if Mr. Clinton were not locked into a perverse bidding war with Mr. Dole, he might have chosen a better way to help students — increase spending on Federal tuition grants under the Pell program. These subsidies are targeted exclusively at needy families. Mr. Clinton's tax credit would shower money on families who can afford college without Federal help. Worse, by cutting tax revenues, he would put

that much extra pressure on Congress to cut discretionary spending, including Federal tuition grants. To his credit, he proposes increased spending on such grants, but the Republican-controlled Congress has disagreed.

The tax-cutting contest is unlikely to stop here, despite both candidates' contradictory pledges to cut the deficit. In a desperate attempt to catch Mr. Clinton, Mr. Dole is flirting with a 10 or 15 percent across-the-board income tax cut, or perhaps dropping the top tax rate from 39 percent to 28 percent. Either way, these ideas could cost hundreds of billions. His proposal is stalled because he knows he must somehow contrive to pay for the cut. But offsetting spending cuts might require him to scare the elderly with huge whacks at Medicare and other entitlements — a tactic that proved devastating to the Republicans in the budget battles with the White House this year.

Mr. Dole's other option is to pretend that his tax plan will spur growth and offset much of the cost. But peddling discredited, supply-side nostrums would tarnish his record of fiscal responsibility and open him up to the same charges he levels at Mr. Clinton — that he is an opportunist whose word cannot be trusted.

The larger danger is that Mr. Clinton's tax-credit idea is but the first blow in a long bout with Mr. Dole. Mr. Clinton is clever enough to win the political war. But Mr. Dole could win the policy war, because a Congress that is starved for revenue is a Congress that will starve education, research, training and every other spending program.

Aid Plan That Inspired Clinton Is Success

By PETER APPLEBOME

ATLANTA, June 5 — In proposing a \$1,500 tax credit for college tuition on Tuesday, President Clinton cited as his inspiration an ambitious Georgia scholarship program that is so popular many political analysts view it as the reason Gov. Zell Miller won a second term.

What is subject to debate is how much of Mr. Clinton's plan borrows from the Georgia program, the most ambitious of its kind in the nation, and how much it reflects merely the name and politics.

Financed entirely by a state lottery and known as the Hope Scholarship Program, the Georgia program offers a free college education to all Georgia students who earn a B average in high school and choose to attend a public college, university or technical institute in Georgia.

Those who choose a private institution receive an annual \$3,000 scholarship. Since the program's inception in 1993, 191,300 students have taken advantage of it. For the 1996-1997 school year, \$159 million in lottery revenue has been appropriated for 124,000 Hope scholars.

Mr. Miller, a political ally of Mr. Clinton, said that he and the President had long discussed ways to make college affordable and that Mr. Clinton's initiative was a classic case of a program to address fundamental voter concerns.

"Sure, it's been politically popular here and the reason it has is that it's something that families and parents can see and touch and understand," Mr. Miller said in a telephone interview today. "When families sit around the kitchen table, they're not talking about gays in the military or prayer in school. They're talking about things like whether they can afford to send Junior to college."

But some Georgia Republicans, while acknowledging the enormous popularity of Mr. Miller's program, say Mr. Clinton has embraced only the symbolism of the program.

"President Clinton's plan bears no resemblance to Governor Miller's, despite representations to the contrary," said Whit Ayers, a Republican political consultant. "It's classic Clinton. He says, 'I have in my hand two apples,' and you have to say, 'No, sir, you have an apple and an orange,' and then it comes down to, 'Is

so. Is not. Is so. Is not.'"

Mr. Clinton proposed what he called Hope Scholarships, which would provide two-year \$1,500 tax credits for the families of college students. For the first year of college, a tax credit would be available to the families of all students. But the students would need to maintain a 2.75-grade-point average and stay free of felony drug convictions to earn the second-year credit.

The Georgia program had its genesis in Mr. Miller's successful 1990 gubernatorial campaign, managed by James Carville, the consultant who was a prime architect of Mr. Clinton's 1992 campaign. Mr. Miller's overriding issue was a state lottery to finance educational programs. The main program became the Hope Scholarships.

In the current academic year, the program paid for the education of 43,150 students at public colleges and

A free college education for high school students with B+ averages.

43,840 at public technical institutions and provided a stipend for 29,640 at private colleges.

About 35,000 of nearly 60,000 high school graduates had B+ averages last year, officials said. A change in the program that goes into effect next fall says all courses counting toward the B average must be academic courses like English, math or science. A recent study found that 44 percent of last year's freshmen would not have qualified if their grade point average had been based only on core academic subjects.

The program was popular from the start, and most political experts say it very easily could have swayed enough Republican-leaning suburban voters to have meant the difference in Mr. Miller's 120,000-vote reelection victory 1994.

Merle Black, a professor of politics and government at Emory University, said Mr. Miller's program was a

political masterwork.

"He'll go down in history with this," Professor Black said. "He figured out a way to finance the education of talented youngsters, and he's paying for it without directly taxing the citizens of the state."

The lottery, he said, was largely paid for by lower-income people who tend not to vote, while the scholarships overwhelmingly went to high-achieving students and better-educated residents who tend to be reliable voters.

But there has been little controversy over who pays for the program and who benefits. Of 16,378 freshmen at public institutions last year, 76 percent were white or Hispanic and 20 percent were black. Whites make up 71 percent of the state population, blacks 27 percent and Hispanics 1.7 percent. Median household income for the Hope recipients was \$44,876. For the state it was \$29,021.

Mr. Black said Mr. Clinton could not hope to duplicate a program offering as much at so little perceived cost as Mr. Miller's program. But he added that he thought Mr. Clinton's program would still have considerable appeal.

"I think this is a winner for the President," he said. "It addresses a tangible economic issue in terms of using government funds as an investment rather than simply as a subsidy, much like the G.I. bill."

Mr. Ayers, the Republican consultant, said that unlike Mr. Miller's program, Mr. Clinton's plan was "a tax increase in disguise."

"I think resistance to tax increases is so great among middle-class families and all Americans that any program that relies on a tax increase is a loser," he said.

Education experts were generally split on Mr. Clinton's plan. Most agreed that it was an attempt to address widespread and realistic worries about the affordability of higher education. But some were skeptical that broad-based tax credits were the way to approach it.

"If there's \$25 billion to invest in addressing this problem," said Lawrence Galdieux, executive director for policy analysis at the College Board in Washington, "I would put it into student aid programs, direct expenditure programs."

Clinton Greatly Expands Tax-Break Proposal On Tuition Costs for Post-Secondary Education

By JACKIE CALMES

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—President Clinton has put his finger on the problem: Many Americans feel priced out of college, yet higher education is the "key to a successful future" in an economy that increasingly shortchanges unskilled workers.

But are tax breaks, as he suggested yesterday, the answer for boosting enrollment?

"Our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Mr. Clinton said in a commencement address at Princeton University.

To that end, he significantly expanded on his existing proposal for an income-tax deduction covering as much as \$10,000 in post-secondary tuition costs each year for families with annual incomes up to \$100,000. The new plan also would offer a \$1,500 annual tax credit for two years, enough to cover the tuition costs of most community colleges or provide a down payment at a four-year institution. As a "refundable" credit, even individuals or families too poor to owe federal income

taxes would get the benefit, unlike the deduction.

The tax credit would come with a twist that is unusual for federal programs: It would be performance-based. A student or a student's parents could claim the credit the first year, but the second year's tax break is available only if the student has at least a "B" grade average and no felony drug convictions. In any case, the deduction still would be available for taxpayers.

The proposal certainly has less-than-good prospects in Congress this year, given that Mr. Clinton's earlier education-deduction idea languishes there with the rest of his plan to balance the budget while providing targeted tax cuts. He and the Republican Congress aren't expected to break their impasse over these issues before the election. But should Mr. Clinton get re-elected, "America's Hope Scholarship Tax Cut" — as he calls it — would be a priority.

The administration is also weighing tax incentives to aid first-time homebuyers that the president could announce as early as today. But yesterday, the Republicans, led by likely presidential nominee Robert Dole, were lambasting the education break, calling it an election-year gimmick that comes with a tax increase. Mr. Clinton proposes to pay for the tax cut by higher taxes on multinational corporations' export income, a higher departure fee for international air travel, and an auction of the radio broadcasting spectrum.

But Mr. Dole is considering tax incentives of his own, and his economic advisers wax eloquent on the need for additional federal incentives for post-high-school education and job training. "Investment in human capital yields returns at least as large as investment in physical capital," a group of conservative economists wrote him in a private memo last month on tax-cutting ideas.

So what about Mr. Clinton's tax-cutting idea?

"It seems at first blush to be a good idea," says Arnold Packer, a senior fellow at Johns Hopkins University's Institute for Policy Studies and an expert in issues related to community colleges. "There's a shortage of people with enough education" in the work force, and there is evidence, he says, that rising costs are a factor. "Over the last few years, tuition has steadily gone up and we have seen a diminution of attendance at community colleges."

Mr. Packer acknowledged that "certainly this would be a windfall to people who would have gone to college anyway," but he chose to focus on the benefits to society and the economy of whatever additional numbers could be enticed into higher education or training. In his speech, Mr. Clinton said that people with two years of college earn a quarter-million dollars more over their lifetimes than high-school graduates.

At the Urban Institute, a think tank, economist Eugene Steuerle noted that families' out-of-pocket costs for education "have been the least favored in the tax system." By contrast, he notes, employers have been able to write off their costs of subsidizing workers' education and training costs, and student-aid beneficiaries get their assistance tax-free.

Economist Robert Reischauer, a former director of the Congressional Budget Office, called the Clinton proposal certifiably bad idea. "Like tax breaks generally, he argues, it will subsidize activities — in this case, college education — that many people would have undertaken without the sweetener.

A tax benefit would go to individual with annual income up to \$70,000, and couples with income up to \$100,000. It would apply to tuition costs for the taxpayer, spouse or dependents. Mr. Reischauer says that the federal Pell Grants program is a better, more efficient way to help needy students and, with a cost this year of about \$7 billion, the aid could be double for the cost of the tax breaks Mr. Clinton proposes.

But in this election year, the president isn't aiming to help the needy so much as the politically coveted swing voters in the middle class. Administration officials have in mind a typical family with about \$40,000

How Educated Are We?

Of the 164.5 million Americans over age 25:

- 31.4 million didn't graduate from high school (19%)
- 66.5 million are high-school graduates (34%)
- 28.6 million have some college education, but no degree (17%)
- 11.5 million have a two-year degree (7%)
- 24.2 million have a four-year degree (15%)
- 12.3 million have advanced college degrees (7%)

Source: U.S. Department of Education

a year in income and \$3,000 in tuition costs at a nearby school.

The family is too well off for Pell Grants, and yet its child doesn't go to a college so pricey that the family gets full advantage of the deduction that applies to tuition up to \$10,000. The deduction for the family in the 15% income-tax bracket would be worth \$450 on \$3,000 of tuition. But under Mr. Clinton's new plan, the family could opt for the \$1,500 credit in the first two years.

The cost to the Treasury in lost revenue would be \$42.9 billion over six years, the administration says. That is \$7.9 billion greater than the president's original proposal for just a deduction, which is why the White House had to come up with new savings proposals to offset the loss.

THE WALL STREET JOURNAL

WEDNESDAY, JUNE 5, 1996

Clinton Calls For College Tax Credit

Proposal Would Allow Refundable Break Worth Up to \$1,500

By John F. Harris
Washington Post Staff Writer

AT

PRINCETON, N.J., June 4—President Clinton unveiled a hastily assembled, election-year plan to offer \$1,500 tax credits to pay for higher education, and said his goal is to make two years of college the norm in American life.

Clinton described his plan to use the tax code to create a government endorsement for lower- and middle-income Americans in extravagant terms. It would, he said, to a graduation audience at Princeton University, "make those two years of college as universal as four years of high school," because "education at the typical community college will now be free."

Clinton pushed forward with his plan—which White House aides said they were still fine-tuning late in the night on Monday—at the same time Senate Majority Leader Robert J. Dole (R-Kan.) says he is weighing various proposals for steep cuts in the income and capital gains taxes.

The administration's latest entry in the tax derby would offer a one-year, \$1,500 tax credit to be applied to college tuition. Students who maintained a B average in their studies would be eligible for a second \$1,500 credit the next year. The tax credit would be gradually phased out for individuals making between \$50,000 and \$70,000, and for couples filing jointly with incomes between \$80,000 and \$100,000.

See CLINTON, A1, Col. 1

CLINTON, From A1

Money for the new plan would be raised in part by restricting a hoped revision tax on departing international flights and raising the per passenger fee from \$6 to \$16.

Clinton earlier had proposed a \$10,000 tax deduction to be applied toward higher education. The type of tax credit Clinton has proposed, called a refundable credit, works essentially like a direct payment from the government. Figures what taxes you would ordinarily owe, and then deduct \$11,500, even if that means the government owes you money. Under the tax deduction, you would subtract \$10,000 from total income, then pay taxes on the balance. Taxpayers would decide whether the credit or deduction makes more sense for them.

Comparing in substance, Richmond, Dole complained that Clinton's proposal really was no more preferable than the one he made in 1992 for a middle-class tax cut and abandoned the next year with a deficit-reduction plan that included tax increases.

"There he goes again," Dole told a Chesterfield County audience. "Who knows what taxes he'll increase if he should be reelected."

House Speaker Newt Gingrich (R-Ga.) also dismissed the proposal. "I have watched the president during an election," he told reporters. "I mean, every year he's for tax cuts. But if you're not Dole that means that in '97 he'll be for a giant tax increase on college students."

The timing of Clinton's new plan left White House officials laboring to explain why Republicans were incorrect about Clinton's motivation. White House economic adviser Gene Sperling said Clinton had considered the plan last fall, but that it got put aside during the White House's failed balanced-budget negotiations with congressional Republicans.

As a practical matter, however, the impact of Clinton's proposal—at least for the near term—is almost surely minimal. The reaction of Republicans was plain: that the tax credit proposal will languish in Congress just as the tax-deduction proposal did.

But from Clinton's perspective, the value of the tax-credit plan is a way of defining himself before the electorate. In balanced-budget discussions, Clinton has said he favors cutting government but wants to expand the federal role in education. Likewise, on tax matters, Clinton said tax relief aimed at subsidizing education would be better for the economy than a broad tax cut, which he claims would disproportionately benefit the rich.

White House aides identified the savings they said would prevent Clinton's proposal—dubbed "HOPE scholarship"—from adding to the deficit. The administration estimates the tax credit, if extended, would cost about \$25.1 billion between next fiscal year and 2002. However, the availability of a tax credit means that fewer people would be taking advantage of the proposed tax deduction. The net cost, then, would require the administration to come up with an additional \$7.9 billion over the next six years to savings beyond what is presented in Clinton's latest budget proposal.

The administration says it will ask Congress to raise \$2.3 billion by reassessing aviation fees on departing international flights, starting in August of this year. In addition, it estimates raising \$3.5 billion by changing the rules by which multinational corporations avoid taxes on some export income. Another \$2.1 billion would be raised by taking parts of the radio spectrum now reserved for the navy, air force services and instead auctioning the band space for "subscription-based wireless services," such as personal paging and home banking.

Clinton made his remarks to a group of students and their families who had paid dearly for their Ivy League education. Princeton's annual comprehensive fee, according to university statistics, includes tuition of \$20,960 and living expenses that bring the total to \$29,400.

"You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together," Clinton said. "You will, of course, have the ability to succeed in the global economy, even if you have to compete from those Americans trapped in the old economy," Clinton said. "But you should not work away from our common purpose." Dole campaigned against the backdrop of a partially finished house in a booming Richmond suburb to highlight his quest for a constitutional amendment requiring a balanced budget, which he plans to bring up for one more vote before he retires from Congress on Tuesday.

Apparent with Virginia Gov. George Allen (D) and Sen. John W. Warner (R-Va.), Dole said if the nation eroded to deficit, interest rates would fall, making it easier to buy a new home.

He stood in front of the shell of a three-bedroom, two-and-a-half-bathroom house being constructed for Scott Lynch, a 31-year-old investment banker who is buying it for \$109,950. Lynch had wanted to buy a slightly bigger house—200 square feet larger—just up the street for nearly \$120,000, but decided he couldn't afford it because of interest rates.

Yet Lynch told reporters that he wasn't sure he plans to vote for Dole, even if he did agree to provide a prop for his campaign. "I don't really know right now," he said. "I haven't really decided."

Staff writers Peter Baker in Chester, Va., and John E. Yang in Washington contributed to this report.

THE WASHINGTON POST

WEDNESDAY, JUNE 5, 1996

Opening Bets in the Tax-Cut Sweepstakes

Some Economists and Top Advisers Opposed Clinton's Proposed Break for Higher Education

By Ann Devroy and Clay Chandler
Washington Post Staff Writers

With his election year call for a \$1,500 education tax credit, President Clinton yesterday tipped the ante in what is shaping up as a bipartisan bidding war on tax cuts.

White House political advisers hope the proposal—which would be granted for up to two years of schooling at any degree-granting, post-secondary institution—will strengthen Clinton's campaign against Republican presidential rival Robert J. Dole, who is stalling even larger tax cuts.

The idea, say White House aides, is to burnish Clinton's image as a champion of tax cuts that help the poor and the middle class while painting Dole as a proponent of lucrative tax breaks for the rich.

But Clinton's proposal for new student tax breaks earned low marks from many economists, some of them members of the president's economic team. And it may soon be followed by other targeted tax cuts from the administration, including, possibly, a modest tax increase for high-income households.

Aides said Clinton's decision to propose the new education tax credit culminated more than a week of internal debate, in which Chief of Staff Leon E. Panetta joined Treasury Secretary Robert E. Rubin, national economic adviser Laura D'Andrea Tyson and budget director Alice M. Rivlin in arguing against the idea.

The group recommended that Clinton stick with his first entry in the tax-cut sweepstakes, the "Middle-Class Bill of Rights" announced the month after Republicans seized control of Congress in 1994.

On the other side of the debate: Clinton's chief political adviser Dick Morris, who has been struck by the favorable response of participants in recent focus groups to the themes of education and job training. Morris and other political advisers urged Clinton to bill his program as two years of government-guaranteed "free education" for students who continue schooling beyond high school, administration colleagues said.

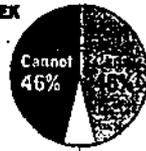
Opposition from the economic team helped persuade Clinton to scale back the cost of original proposals and to identify specific tax in-

OPINION IS SPLIT

While President Clinton and Sen. Robert J. Dole take turns offering new tax cuts, Americans are not sure middle-class cuts can coincide with deficit reduction—or that such cuts will affect their presidential vote.

Q: Do you think the government can reduce the federal budget deficit and cut taxes for the middle class at the same time?

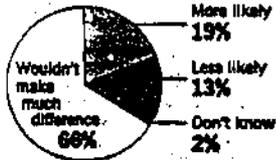
LAST WEEK



JANUARY



Q: If Dole proposed a major tax cut, would that make you more likely or less likely to vote for him for president?



NOTE: The last two questions came from CBS News/Market Research poll. Last week's poll was conducted among a random sample of 800 adults interviewed by telephone May 31-June 2. Margins of sampling error at plus or minus 3 percentage points. The first question comes from a Newsweek poll conducted among a random sample of 761 adults interviewed by telephone May 30-31. Margins of sampling error at plus or minus 3 percentage points.

BY THE WASHINGTON POST

creases to finance the smaller plan, administration officials said.

The \$1,500 refundable credit would expand a proposal in Clinton's last budget plan that offered students or their parents a tax deduction for up to \$10,000 for college or vocational training. Under the proposal announced yesterday, taxpayers would be allowed to choose between a slimmed-down version of the original deduction or the new credit.

The new credit would cost \$7.9 billion more than the previous proposal for the deduction alone. Clinton proposed paying for the plan by auctioning off frequencies on the radio spectrum, raising airport duties on overseas departures and raising taxes on U.S. firms with operations overseas.

Treasury tax estimators spent much of the night Monday running models through their computers to

be able to credibly put out a list of offsets to pay the cost of the new tax break.

In a telephone interview yesterday, Rubin expressed satisfaction with the outcome. "This establishes a new standard of responsibility that all should adhere to; any tax cuts must be paid for with real and action offsets," he said.

Putting a finer political point on it, White House senior adviser George Stephanopoulos said, "Our tax cuts are tightly focused, mostly on education and training, targeted to the middle class and fully paid for. [Republicans] want big tax cuts to help the wealthy. That's the difference."

The tax credit proposal was pushed by Clinton's political advisers as being relatively cheap but widely popular in one state where it is already in play, Georgia. Some credit popularity of that program and its

resonance with middle-class and poor Georgians as a central element in the reelection of Gov. Zell Miller (D) in 1994, a bad year for Democrats, particularly in the South. "I think it re-elected him," said James Carville, a Clinton adviser and a political and social friend of Miller.

Pointing to Clinton's December tax package, and his repeated statements last year that he may have raised taxes too much his first years in office, some advisers raised concerns the administration will be overly receptive to new tax break suggestions.

"There is a lot of concern this could get out of control," said one aide, noting Morris has a tendency to want to match and raise Dole on all fronts.

Several economists said yesterday that money spent on the Clinton educational credit would mostly end up lining the pockets of students planning to further their education anyway.

"These sorts of things tend to have very low bang for the buck," said the Brookings Institution's Barry Bosworth, a former Carter administration economist, who noted, "we already have an elaborate system in place for offering financial assistance to those who qualify." Academic evidence suggests "the real problem isn't money, it's either that students have no interest in more schooling or they underestimate its future benefits," Bosworth said.

Other experts criticized the tax break as a disguised government subsidy whose primary effect would be inflated tuition costs.

Even some of Clinton's education advisers were dubious about some aspects of yesterday's proposal. Education Secretary Richard W. Riley signed off on the idea, administration officials said, but raised concerns about tying the tax credit to the second year to students' achieving B averages.

The fear, echoed by officials in other departments, is that community college teachers all over the country would feel responsible for students losing out on a college education if they don't give B grades or higher. As one aide put it: "There was a sense from some that this was good social policy and good tax policy, perhaps, but that part was not good education policy."

The Washington Post

AN INDEPENDENT NEWSPAPER

There They Go Again—Again

WHITE HOUSE Chief of Staff Leon Panetta is quoted as having said last week that the administration didn't want to "engage in a bidding war on tax cuts." "Our viewpoint is that we need to have a steady course here." But steady doesn't mean forever. This week there was a bit of an argument among the president's advisers, the usual kind between those who worry more about the wrapping than the content, and those who, rightly, worry more about the content. The wrong side won, and yesterday in a commencement speech at Princeton, the president proposed a new college tuition tax credit.

"Aides will tell you this is different from the tax cuts the Republicans continue to propose, because theirs are larger ('gigantic,' White House press secretary Michael McCurry called them yesterday) while the president's are 'targeted,' meaning better aimed at the middle class and, in this case, limited to a particular laudable purpose—the furthering of higher education—as well.

The aides point out that the president had already proposed in his budget that families up to certain income levels be allowed to deduct some higher-education costs. Deductions are worth more to higher-income families. A credit would make the same benefit available to lower-income families as well and in that sense is good tax policy. The additional cost would be modest, and the president was also proposing a way to pay it, so as not to increase the deficit. And who could be against helping more lower-income people get to college?

But in fact what the president is proposing—

deduction and credit combined—would be a much larger step than the rhetoric surrounding it suggests. It would not be just a tax cut but a fundamental change by another name in the national system of financing higher education. The government has been providing aid to higher education in significant amounts through student grants and loans for 30 years. Throughout that era there have been debates about how broad to make the aid programs. This would make a limited amount of such aid pretty close to universal and automatic. Americans now are entitled to 12 years of public education. As the president himself observed yesterday, this would basically extend the system to 14 years instead—make "two years of college as universal as four . . . of high school."

Is that the right thing to do? In a world where education seems to be the principal determinant of income, Mr. Clinton says yes, and maybe he's right. But it isn't as clear as he makes it out to be. If billions of dollars more are going to be spent on education, is the society better off spending them on higher education or in elementary schools? Would the president's tax proposals really have that much effect on who attends college, or mainly subsidize those who would be attending anyway? Would the real beneficiaries be the students, or would schools simply be freer to raise their fees?

These are hardly idle questions. The answers deserve to be more than footnotes to an election-year tax proposal. Mr. Panetta may wish the administration were not engaged in a bidding war. So do we—but it is.

Clinton makes future his centerpiece

Campaign will stress economy and education

By Bill Nichols
USA TODAY

PRINCETON, N.J. — Princeton University's class of '96 probably will never forget what President Clinton had to say to them in his commencement address Tuesday at the university's 249th graduation ceremony.

But Clinton's political opponents also may want to commit to memory this third in the president's series of commencement addresses this spring, because it's one of his clearest blueprints yet for how he thinks he can get re-elected.

The news of Clinton's speech was his announcement of a proposal for a tax credit of up to \$1,500 for students to use for a first year of college.

But the broader context of Clinton's speech laid out three of the major themes White House officials believe will be crucial in defeating Republican opponent Bob Dole.

► The importance of education as a tool for prospering in a changing economy.

"Education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy," he said.

► An insistence that tax relief be small in scope, fully paid for and targeted in such a way that it increases opportunities for lower and middle-income people.

► A relentless focus, faced with a 72-year-old opponent, on the future. If Clinton's 1992 campaign slogan were to be updated for this race, it would be: "It's the 21st century, stupid."

Clinton spoke of his administration as a modern-day counterpart to the Progressive Era at the beginning of the century, a metaphor aides have used recently as a populist theme for Clinton's second term.

"We have got to increase the quality and the level of education, not just for the graduates of Princeton and Georgetown and Yale and the state universities of this country, but for all the American people," he said.

The tax credit, aides said, is something Clinton has long wanted to do. But they have privately admitted that the

plan has virtually no chance of being passed by the current Congress.

Dole, campaigning in Chester, Va., responded to the proposal by noting that Clinton had promised a middle-class tax cut in 1992, only to increase taxes after taking office.

"There he goes again," Dole said, borrowing Ronald Reagan's 1960 put-down of President Carter. "Who knows what taxes he'll increase if he should be re-elected."

The White House staff responded by distributing a statement Dole made Feb. 3 in Iowa. Dole said during budget negotiations that "President Clinton had an idea that was pretty good, and that was credits for two-year college students."

The credit would be called a "Hope Scholarship", after a similar program in Georgia.

Clinton already has proposed a \$10,000 education tax deduction as part of his balanced-budget proposal. Students could receive either the Hope scholarship or the \$10,000 deduction in any year. The deduction is \$10,000 per family, while the tax credit is \$1,500 per student.

A tax deduction is subtracted from the amount of income subject to taxation.

The refundable tax credit would allow recipients to deduct up to \$1,500 from the amount of tax they owe; if they owe less than \$1,500, they would receive a refund.

In keeping with Clinton's emphasis on restraining and lifelong learning for adults, a \$750 tax credit also would be provided per year for part-time students until they have completed two full years of college.

On the broader mission of the speech, White House officials say Clinton wanted to draw a contrast with Dole, who is contemplating a broader tax cut, possibly an across-the-board income tax reduction.

And the president's political strategists say the idea of making two years of college a new entitlement will be a central idea of the campaign, and, if Clinton wins, his second term.

USA TODAY

WEDNESDAY, JUNE 5, 1996

Student tax credit pitched

In a commencement speech Tuesday at Princeton University, President Clinton proposed a refundable tax credit of up to \$1,500 for students in their first year of college.

A similar tax credit would be available for a student's second year if the student is not convicted of any felony drug offenses and earns at least a "B" average in the first year.

"America knows that higher education is the key to the growth we need to lift our country," Clinton said. "I believe the clear facts of this time make it imperative that our goal must be nothing less than the 15th and 16th years of education as universal to all Americans as the first 12 are today."

Said Labor Secretary Robert Reich: "The new economy requires a work force with at least two years of education and training beyond high school."

The credit would be available to families making up to \$100,000 or single individuals making up to \$70,000.

The tax credit would add approximately \$7.8 billion to the deficit. White House officials proposed offsetting cuts in three major

areas to keep the budget balanced:

► Reducing tax breaks for multinational corporations.

► Auctioning portions of the digital radio spectrum.

► Increasing the international departure fee for airline passengers from \$6 to \$16.

"Chances are this type of initiative will cause students to enroll in universities," said David Pierce, director of the American Association of Community Colleges. "I tend to think there is an overall benefit to all students at all institutions."

But Lawrence Gladieux, executive director for policy analysts at the College Board, an independent research and policy organization, says the Clinton proposal needs "a sharper focus ... This tax policy is not as effective as direct expenditure policies. We have programs that target subsidies more effectively — like Pell Grants and other federal student aid programs."

By Bill Nichols in Princeton, N.J.
Contributing: Tamara Henry

The economics of education

Experts give tax credit mixed marks

By Mimi Hall and Tamara Henry
USA TODAY

The White House calls it a bold plan to change the nation's culture and help make higher education as universal as high school.

Some Republicans call it a cross election-year gimmick.

NEWS ANALYSIS

Economists and educators are split.

What is clear is that President Clinton's proposal to offer a \$1,500 tax credit to college students — a plan touted by economic aide Gene Sperling as designed to "reach a broad range of middle-class families" — would most help the poor.

The tax credit — up to \$1,500 right off a family's tax bill — would be available to families earning up to \$100,000.

For those hard-pressed to come up with \$1,000 for annual tuition at a typical two-year community college, it could make the difference between going to school or not.

In fact, in two-thirds of the states, it would cover the entire cost of tuition at community colleges and technical schools.

But for many of the middle-income families Clinton is aiming to please — families trying to scrape together \$12,000, \$20,000 or even more every

year to pay private college tuition — a \$1,500 tax credit would hardly make a dent.

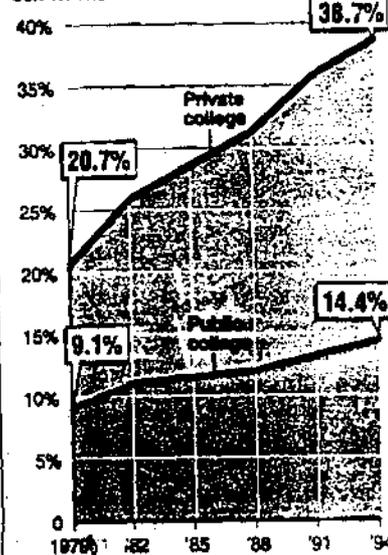
Clinton's plan, announced at Princeton University on Tuesday, offers \$1,500 for the first year of college, junior college or vocational school. If the student, of any age, maintains a "B" average, there's \$1,500 for the second year. If tuition is less than \$1,500, the government keeps the difference.

But analysts wonder if the plan is really the best way to encourage more people to seek higher education. Would it waste money, they ask, by barely helping the middle class and paying an unneeded bonus to wealthier families?

Clinton's "heart is in the right place," says Lawrence Gladieux, director of policy analysis at the College Board. "But I don't think it is the right instrument or policy, and I doubt that it would have the intended results."

College costs pinching families

The cost of sending a child to college — tuition, room and board — has been a growing percentage of the typical family's income. In 1994, when median income was \$42,000, education at a public four-year college would take 14.4% of that, and at a private institution 38.7%. The trend:



Source: U.S. Census Bureau, USA TODAY research, U.S. Education Department

Higher education, higher earnings

Mean annual income in 1992 for people 18 or older, by level of education:

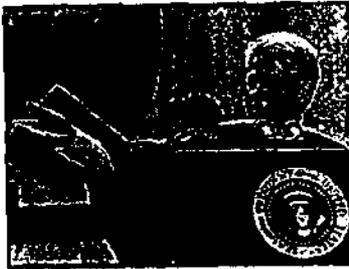
Professional	\$74,560
Doctorate	\$54,904
Master	\$40,368
Bachelor	\$32,629
Associate	\$24,398
Some college, no degree	\$19,666
High school graduate	\$18,737
Not high school graduate	\$12,809

Tax credit effect on a family of four

President Clinton's education tax credit would lower the taxes of a family of four with household income of \$60,000 at the tax rates for 1996:

Adjusted gross income	\$60,000
Personal exemptions	-\$10,000
Personal exemptions (4 X \$2,500)	-\$10,200
Taxable income	\$39,800
Tax: 18%	\$5,970
Proposed education tax credit	-\$1,500
Total tax:	\$4,470

By Kevin Padden, USA TODAY



Tax credit: President Clinton plans cuts to offset the \$7.9 billion added to the deficit.

Sperling says.

If the \$10,000 deduction and the new tax credit are both passed by Congress, families could not take advantage of both at the same time.

Clinton's tax-credit plan, "Hope Scholarships," is modeled on a state-run program started in Georgia in 1993.

That widely praised program pays for tuition, fees and books at any in-state public college for any student, regardless of family income, who graduates from high school with a "B" average or better. It's renewed every year the student maintains a "B" average and has no felony drug conviction.

At two- and four-year private colleges, it offers \$3,000 a year. Since the program began, college and technical school enrollment has increased 24%. It is financed through lottery ticket sales.

"The beauty of the Hope Scholarship is that it not only allows people greater access to college but keeps people at Georgia state schools," says Jim Mason, 21, a senior at Georgia Tech.

Sperling says it would help middle-income families more than an earlier Clinton proposal languishing in Congress, a \$10,000 tax deduction. That's because a deduction only reduces a family's taxable income. The family is then taxed on that lower amount, and the reduction in its tax bill may or may not be as much as \$1,500. A credit is a straight dollar-for-dollar cut in a family's tax bill.

Many of those middle-income families are ineligible for federal Pell grants, which are awarded based on family assets, earnings, number of children and the number of children in college. More than 90% of families receiving Pell grants have income of less than \$30,000 a year.

"The tax credit is most beneficial to the families in the \$30,000-to-\$70,000 range,"

Whether that program's level of success could be achieved nationally is unknown. Analysts say there's no way to predict how many more students would attend college.

In California, community college fees are so low the incentive would be slight.

"Conceptually, I think it's terrific," says Linda Michalowski, financial assistance coordinator for the state's 106 community colleges. But "I'm not sure the proposal will do very much for our students."

Others say they're not convinced that a lack of \$1,500 is what keeps students from college. The financial barrier is significant for the poorest fam-

ilies, Gladieux says. But for most of those who quit after high school, "a lack of preparation, lack of guidance and lack of motivation" are the leading factors, he says.

And questions are being raised about whether the tax credit "would give schools an incentive to raise tuition," says Michael McPherson, author of *Keeping College Affordable*.

But perhaps the key question: Will the credit ever become law?

The \$10,000 deduction has been stalled in Congress for 18 months. In this election year, there's no reason to expect anything different for the new proposal.

Says Carol Mowbray, student benefits coordinator for Northern Virginia Community College: "I imagine this would be a tough fight politically."

The costs, state by state

The average annual college tuition, by state, for 1994-95:

	Community colleges	Public 4-year	Private 4-year
Ala.	\$1,123	\$1,983	\$7,404
Alaska	\$1,320	\$1,909	\$7,950
Ariz.	\$734	\$1,818	\$5,076
Ark.	\$888	\$1,605	\$8,182
Calif.	\$366	\$2,368	\$12,748
Colo.	\$1,279	\$2,237	\$11,710
Conn.	\$1,520	\$3,478	\$15,704
Del.	\$1,268	\$3,663	\$7,187
D.C.	N/A	\$874	\$13,367
Fla.	\$1,112	\$1,784	\$9,941
Ga.	\$1,018	\$1,888	\$8,671
Hawaii	\$500	\$1,452	\$5,951
Ill.	\$880	\$1,487	\$11,248
Ill.	\$1,194	\$3,031	\$11,070
Ind.	\$1,854	\$2,621	\$11,848
Iowa	\$1,699	\$2,352	\$11,430
Kan.	\$1,044	\$1,890	\$8,079
Ky.	\$1,080	\$1,914	\$7,038
La.	\$1,027	\$2,177	\$11,768
Maine	\$2,137	\$3,131	\$15,363
Md.	\$1,848	\$3,111	\$13,782
Mass.	\$2,441	\$4,183	\$15,685
Mich.	\$1,432	\$3,482	\$8,738
Minn.	\$1,928	\$2,783	\$12,233
Miss.	\$836	\$2,988	\$8,888
Mo.	\$1,203	\$2,476	\$9,807
Mont.	\$1,328	\$1,888	\$8,983
Neb.	\$1,097	\$1,838	\$8,897
Nev.	\$843	\$1,532	\$7,494
N.H.	\$2,318	\$3,835	\$12,143
N.J.	\$1,755	\$3,617	\$12,961
N.M.	\$878	\$1,728	\$11,549
N.Y.	\$2,162	\$2,920	\$12,892
N.C.	\$582	\$1,408	\$10,408
N.D.	\$1,889	\$2,124	\$8,853
Ohio	\$2,164	\$3,285	\$11,782
Okla.	\$1,163	\$1,843	\$8,078
Ore.	\$1,324	\$2,831	\$12,968
Penn.	\$1,751	\$4,318	\$13,457
R.I.	\$1,686	\$3,404	\$14,445
S.C.	\$1,048	\$2,885	\$8,122
S.D.	\$3,430	\$2,338	\$8,574
Texas	\$878	\$1,798	\$8,210
Texas	\$880	\$1,504	\$8,410
Utah	\$1,840	\$1,888	\$2,814
Vt.	\$2,877	\$5,532	\$15,032
Va.	\$1,984	\$3,846	\$10,308
Wash.	\$1,314	\$2,334	\$12,412
W.Va.	\$1,312	\$1,875	\$8,688
Wis.	\$1,649	\$2,316	\$10,835
Wyo.	\$883	\$1,848	N/A
USA	\$1,194	\$2,537	\$11,522

Source: National Center for Education Statistics

Clinton urges college-tuition tax credit

Good students would get up to \$1,500 a year

By Paul Bedard
THE WASHINGTON TIMES

PRINCETON, N.J. — President Clinton yesterday proposed a \$1,500-a-year tax credit for two years for drug-free, above-average college students, to be paid for with a new \$5.8 billion tax package targeting international travelers and multinational corporations.

In a commencement address at Princeton University, Mr. Clinton said he wants to boost the standard 12 years of free education to 14 years and his tax credit, which needs congressional approval, would cover the costs of most community colleges.

"We have got to increase the quality and the level of education not just for the graduates of Princeton and Georgetown and Yale and the state universities of this country but for all American people," Mr. Clinton said.

"This is about more than money. ... This is about giving every single, solitary soul in this country a chance to be more fully alive," said the president, who did not suggest any offsetting spending cuts.

Mr. Clinton, who has signed bills raising taxes by some \$265 billion since taking office, proposed a new, seven-year \$5.8 billion tax package and a \$2.1 billion auction of unused radio frequencies to pay for his college tax credit plan.

The hastily drawn-up proposal is in addition to Mr. Clinton's earlier plan to offer a \$10,000 tax deduction for parents who send their children to college.

Under the plan unveiled here yesterday, everyone who attends college or community college would be eligible for a tax credit of up to \$1,500 for two years so long as they are free of drug convictions and maintain a B average. Those attending part time would also be eligible for the tax credit but only to the extent of their tuition costs for two years.

Clinton economic adviser Gene Sperling said families earning up to \$100,000 could take the \$1,500 tax credit or the larger \$10,000 deduction for one child. Other children would be eligible for the



Princeton University professor John Fleming awards an honorary doctor of laws degree to President Clinton.

\$1,500 tax credit once the \$10,000 tax write-off is taken.

The administration expects parents to use the \$10,000 tax deduction to cover the costs of children attending private colleges and the two-year \$1,500 tax credit for children attending public or community colleges. The average yearly tuition at public or community colleges is \$1,200 nationally, \$1,857 in Maryland, and \$1,382 in Virginia.

The Clinton proposal was the latest example of White House one-upmanship in its day-to-day battles with Senate Majority Leader Bob Dole, the likely GOP presidential nominee, who is considering a target across-the-board payroll tax cut. Previously, Mr. Clinton unveiled his support for a tough welfare-reform program just days before Mr. Dole announced his welfare plan.

Campaigning in Chester, Va., Mr. Dole hit the president's plan, claiming, "There he goes again. ... Who knows what taxes he'll increase if he should be re-elected?" But within hours, the White

House campaign research team found a Dole speech given Feb. 3 in Indianola, Iowa, in which the Republican candidate praised the Clinton plan during recent budget talks.

"I might say on the junior college level, community college level ... President Clinton had an idea that was pretty good and that was credits for two-year college students," Mr. Dole said.

Mr. Sperling said the administration decided to boost taxes instead of cutting spending because the president feels government spending has been reduced enough.

The White House said it wants to more than double the \$6-per-passenger departure fee for jet travelers leaving the country to \$16. That would raise \$2.3 billion over seven years, said Mr. Sperling.

Currently the \$6 tax goes to pay for airport repairs, but none of the additional \$10 tax would be used for that purpose, he said. Mr. Sperling conceded that the airport fee

was a convenient target for a new tax because it wouldn't affect many people.

The White House also wants to collect \$3.5 billion in new tax from the profits U.S. firms make — and shield from the Treasury — in overseas business.

Mr. Sperling said there is "a gain without a little pain somewhere."

But Pat Sepp, vice president of the National Taxpayers Union, blasted the Clinton plan. "On the one hand, he's giving a tax credit to kids to go to school, and on the other hand, he's taxing the companies who would otherwise be able to hire them," he said.

"He's simply offsetting or credit for a bunch of tax increases. It won't do much for the economy. It doesn't really address the reasons college tuitions are increasing," Mr. Sepp added.

Mr. Clinton's program will cost \$25 billion and his proposed \$10,000 tax write-off for high education would cost another \$5 billion.



WULFREDO LEE / Associated Press

Cameras click at Princeton University while the crowd gets something extra to recall with commencement day: the arrival of President Clinton.

Clinton plan borrows from Miller's HOPE

By Ken Foskett
STAFF WRITER

President Clinton tore out a page from Gov. Zell Miller's 1994 re-election strategy Tuesday and proposed a middle-class education tax credit that borrows heavily from Georgia's HOPE scholarship program.

Dubbed "America's HOPE Scholarships," Clinton proposed a two-year, \$1,500 tax credit for students enrolled at any college or technical school. Students must maintain a 2.75 grade-point average the first year and stay free of felony drug convictions to be eligible for the \$1,500 credit in the second year.

The program copies some aspects of Miller's HOPE scholarship program, which pays tuition, books and fees for any Georgia resident who attends a state college or technical school and maintains a B average.

"My proposal today builds mostly on the enormously successful HOPE scholarships in Georgia," Clinton told graduates at Princeton University.

For Miller, the president's endorsement of HOPE validated what the governor has been saying since HOPE's inception in 1993: It is a program worthy of national emulation.

"HOPE's gone national," said Miller, who joined Clinton on Tuesday at Prince-

Students must maintain a 2.75 grade-point average the first year and stay free of felony drug convictions to be eligible for the \$1,500 credit in the second year.

■

ton. "It's going to prove to be a very popular program."

But experts doubt the Republican-controlled Congress will act on Clinton's proposal.

Merle Black, an Emory University political scientist, said, "It may be the first of some new bidding war — here's my tax cut and I'll raise you one."

For example, Dole, who is crafting an economic policy that could include a 15 percent income tax cut, said Clinton is trying to copy his proposals.

"There he goes again," Dole said. "Who knows what taxes he'll increase if he should be re-elected."

But Clinton, pinned high hopes on his proposal.

"Nobody now needs to be stuck in a dead-end job or in unemployment," Clinton said. "It's America's most basic bargain. We'll help create opportunity if you'll take responsibility."

Miller acknowledged that such educa-

tion credits are "good politics" in an election year in which Clinton and his GOP rivals are trying to win over middle-class voters. Even Republicans concede that the HOPE program has given Miller a lift.

"The HOPE scholarship has been remarkably successful," said Whit Ayres, a GOP pollster. "It would not surprise me if President Clinton was not trying to learn a few lessons."

Under the Clinton plan, families could choose between the tax credit and a previously proposed \$10,000-a-year tax deduction for college tuition and job training. The tax deduction plan has languished in Congress.

Either the full tax credit or the deduction would be available to joint filers earning up to \$80,000 a year. A reduced tax break would go to such couples earning between \$80,000 and \$100,000.

Clinton estimated the six-year cost of his plan at \$42.9 billion. He would offset the cost of the new tax credit by reinstating a lapsed \$6 departure fee for international air travelers and boosting it by \$10 a passenger. He also would increase taxes on corporations by \$3.5 billion and earmark money for education from the auction of radio frequencies.

The Associated Press contributed to this article.

'AMERICA'S HOPE'

Tuition tax credit plan draws mixed reaction

By Betsy White
STAFF WRITER

President Clinton's plan to give American families modest tax credits for college tuition may get an A for politics, but deserves no better than a C as education policy, higher education experts said Tuesday.

Already, two-thirds of the nation's high school graduates complete at least a year of college, so attracting more does not need to be a high priority, experts said. Worse, the tax credit is more beneficial to middle-class families who can already afford college than to low-income families who truly need help to pay tuition, they said.

Ironically, the proposed "America's Hope" program would bypass families of most post-secondary students in Georgia, where the idea — and name — of HOPE scholarships originated. That's because some 80,000 Georgians already receive free tuition to college and technical schools under the lottery-funded HOPE program, and thus would not be eligible for the federal tax credit.

"It sure would have been nice to just have something that was a little bit more thought through and less so obviously political," said Art Hauptman, a Washington-based expert on higher education finance. "The good news is it's not going to pass this year."

Clinton stressed he was proposing the tax credit because college costs are rising and because getting some post-secondary education has become increasingly necessary for workers to succeed. Experts conceded both points are true.

"This is the kind of tax cut to have: a tax cut that goes to help people help themselves and be job-eligible," said Georgia Gov. Zell Miller, who was thrilled Clinton chose his pet scholarship

The reason low-income families nationally and most Georgia HOPE scholarship recipients would not benefit from Clinton's proposal: The tax credit would be available only to individuals who pay tuition themselves. For most low-income students, federal Pell grants cover full tuition at two-year colleges and technical schools; for Georgia students who maintain B averages, HOPE pays full tuition and fees at any public college.

But another 30,000 or so Georgians who attend private colleges, both in and out of Georgia, could get the tax credit for tuition they pay themselves because private tuition costs outstrip HOPE awards.

Nationally, private four-year college costs about \$18,200 a year, \$12,400 of it for tuition and fees. Public colleges are far more affordable — \$2,000 a year, at two-year commuter schools and \$7,400, including \$4,000 for room and board, at a four-year college.

Experts found several positives in Clinton's plan:

■ It would help send a message to young students that they will get help paying for college, so they should keep plugging academically.

"If you go out and talk to kids, they do not realize there is aid to help them afford college," said Marshall Smith, U.S. undersecretary of education.

■ Clinton also is proposing increasing Pell grants for low-income students, complementing the middle-class-oriented tax credit, said David Merkowitz, director of public affairs for the American Council on Education.

■ Clinton's plan would help some Georgians who are not getting HOPE scholarships — those with C and D averages in high school, those with freshman grade-point averages between 2.75 and 3.0 and those who graduated from high school before 1992.



Photo by Rich Krauss

President Clinton greets the crowd at Princeton University's graduation, where he suggested that America should encourage higher education by giving students a \$1,500 tuition tax credit. See story, Page 14.

Clinton uses Princeton graduation to suggest \$1,500 tuition credit

By RON MARSICO

Mixing education policy with election-year pragmatics, President Clinton yesterday told Princeton University's graduating class that America's college students should get a \$1,500 tuition tax credit each of their first two years.

Clinton, a Yale graduate who came to celebrate Princeton's 250th year, effectively raised the ante on tax-cut issues in his re-election race against the presumed Republican nominee, Sen. Bob Dole.

The President's tax relief salvo followed news that Dole is considering a plan to cut income taxes if he is elected. Dole and other Republicans described Clinton's Princeton remarks as disingenuous politics, arguing that the President failed to keep a middle-class tax cut pledge made during the 1992 campaign.

Net cost of the tuition tax credit plan Clinton proposed yesterday is estimated at \$8 billion over six years, but is expected to be offset by other budget savings.

Meanwhile, Clinton — who got standing ovations from the 10,000 gathered in front of Nassau Hall at the start and end of his speech — also announced that a coalition of companies, teachers, students and parents are launching "Net Day New Jersey" to hook up more than 1,000 schools to the Internet by next year. The Partnership for New Jersey, a group of corporate CEOs and nonprofit leaders, is spearheading the effort.

With Princeton's class of 1,773 seniors and graduate students arrayed before him under a canopy of trees shading a hazy sun, the President likened his idea to a modern day version of the G.I. Bill that helped World War II veterans get college educations and fueled the post-war prosperity.

"We should say to Americans who want to go to college, we will give you a tax credit to pay the cost of tuition at the average community college for your first year, or you can apply the same amount to the first year in a four-year university or college," said Clinton to applause. "We will give you the exact same cut for the second year, but only if you earn it by getting a 'B' average the first year."

Students whose grades fall below the threshold or are convicted of a drug crime are ineligible for the tax credit, which is patterned after a similar Georgia program.

Part-time students would get a \$750 tax credit per year, instead of the full \$1,500 benefit under the plan, dubbed the HOPE Scholarships.

"This is not just for those individuals, this is for America," continued Clinton, the first incumbent president ever to receive an honorary degree during a Princeton University commencement. "Your America will be stronger if all Americans have at least two years of higher education."

Mindful that his tuition tax break idea might be criticized by Republicans as an example of Democratic big-government spending, Clinton emphasized that the program's costs would be covered by "budgeted savings in the balanced-budget plan."

But Dole, in a Virginia campaign stop yesterday, sought to pin a hypocrisy label on Clinton by reminding voters that the President promised a middle-class income tax cut during the 1992 campaign before reneging and spearheading a \$265 billion tax increase after taking office.

"There he goes again," Dole said. "Who knows what taxes he'll increase if he should be re-elected."

GOP House Speaker Newt Gingrich also was critical.

"In every election year, he's for tax cuts," said Gingrich in Washington. "We'll send him, I hope, a tax bill later on this year. Maybe he'll sign it."

New Jersey's GOP congressional delegation chimed in by sending the Democratic President a letter, urging him to support a balanced-budget amendment to help "stop saddling our children with our debts."

Clinton, meanwhile, is still pushing his earlier proposal for a \$10,000 tax credit for all college tuition and job training, but the measure has stalled in Congress. The proposal is estimated to cost \$35 billion and be paid for with budget savings, bringing the price tag for both programs to \$43 billion.

Families could choose either plan if both eventually become law.

Clinton emphasized the importance of education in keeping America at the forefront of the world economy and helping Americans realize their dreams.

"Fifteen years ago, the typical worker with a college degree made 38 percent more than a worker with a high school diploma," Clinton said. "Today, that figure is 73 percent more."

Keeping pace with technological advances is also critical, he said.

"Nobody who wasn't a high-energy physicist had even heard of the World Wide Web when I became President. And now even my cat, Socks, has his own page," said Clinton to laughter. "By the time a child born today is old enough to read, over 100 million people will be on the Internet."

The Net Day New Jersey, announced by Clinton yesterday, will actually be a year-long project headed by The Partnership for New Jersey. Thomas O'Neill, executive director of the Partnership, said volunteers at each school "will wire five classrooms and a library or a computer room to a central point where it can be tied into the Internet. The project will quintuple the number of schools that are wired and put the state on a fast track to wiring every school."

Clinton also urged Princeton stu-



Kenneth Marty of Springfield, Va., waits for the right moment to snap a picture of President Clinton during his speech at Princeton University's graduation. Photo by Rick Frank

"This is not just for those individuals, this is for America. Your America will be stronger if all Americans have at least two years of higher education."

— President Clinton

dents — despite their privileged status and opportunity for success — to help others achieve as well. "So I ask you never to be satisfied with an age of probability for only the sons and daughters of Princeton," Clinton said. "You could go your own way in a society that, after all, seems so often to be coming apart instead of coming together. ... But you should not walk away from our common purpose."

This was Clinton's fourth trip in 1996 to New Jersey, a strategic battleground in this year's race.

Dole has made two appearances within the past 10 days.

Amid the pomp and politics that marked yesterday's graduation, there also was a historical component to the appearance by Clinton, who quoted from President Woodrow Wilson, a one-time university president as well.

By tradition, Princeton University normally reserves the commencement address for its own school president, but made an exception and invited Clinton because of the school's 250th anniversary.

President Harry Truman spoke at the university's 200th anniversary in 1946 and President Grover Cleveland made an address to mark the school's 150th anniversary in 1896.

But neither of those two speeches came during the commencement.

In addition to Clinton, 17 other presidents have received honorary degrees from the university — the last being President George Bush.

Message of opportunity rings true across a broad spectrum

By CYNTHIA BURTON

— Speaking at Princeton University, President Clinton invoked the American Dream yesterday and challenged the graduating class of one of the country's most elite institutions to make this land of opportunity for all.

— "Our mission today must be to ensure that all of our people have the opportunity to live out their dreams," Clinton said during the ceremony, where he was awarded an honorary degree.

— The appeal to graduates was so vivid that an avowed "supply-side" Republican headed for a career in commercial banking and a son of missionaries who is going to Africa to feed the hungry agreed with the President's message.

— Clinton pitched patriotism and generosity. He said Princeton graduates could segregate themselves from the less fortunate, but if they did not help their fellow countrymen.

— This is the third graduation the President has addressed this spring. He talked about community values at Penn State and foreign policy at the Coast Guard Academy.

— The Princeton ceremony was an opportunity for Clinton to capture political attention in New Jersey, which held its little-noticed presidential primary yesterday. Though voter turnout was low, the sheer number of voters going to the polls and thinking about politics was expected to be greater than in yesterday's other primary

**"Our mission today
must be to ensure
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— President Clinton

states, Alabama and New Mexico. The Republicans did not miss the political opportunity either. On the eve of the address, the GOP sponsored a 30-second television ad in the Philadelphia media market, which includes Princeton, assailing Clinton's record on the federal deficit. At Princeton, the President mentioned his deficit-busting efforts four times.

Clinton displayed his ability to relate to an audience, paying homage to the 1,773 graduates. He reminded them that his administration is sprinkled with Princeton graduates and includes a current student. He joked, "When the ceremony is over I'd like to have you back at work, please."

He was sportsmanlike when made the butt of an elaborate bit of traditional Princeton humor.

At every commencement, a student reads a speech in Latin. The students (and the press) have an English translation, which tells them where to laugh or applaud. Their parents don't. The point is to impress the parents, who financed their kids' \$120,000, four-year education.

This year the joke was on the students.

Clinton studied Latin in high school, so when they poked fun at his law school alma mater, Yale University, he laughed knowingly. Student Charles Stowell read in Latin, "God did not go to Yale either." Also in Latin, he said it was a fine day when Princetonians "have finally been seen by a Yale, who has chosen to breathe the spring air of Princeton instead of any other."

When Stowell left the podium, Clinton stood up and shook his hand.

Yale isn't the only thing that separates Clinton from the Princeton grads. His upbringing in Arkansas was humble by comparison to that of most of the students. Robert H. Rawson, the university's orator, said in introducing Clinton, a native of Hope, Ark., that he was a man "born not in privilege but in hope."

The students seemed hopeful about their own futures.

Bo Davis, 22, of Mobile, Ala., and his classmate Ingrid Herrera, 21, of Guaynabo, Puerto Rico, are headed for

financial careers. Davis will join an investment banking firm, and Herrera has a job at a big accounting firm. Words like "downsizing" didn't seem to faze them with Herrera joking, "We're going to be the downsizers." She added that they'd have to find a way to make downsizing more humane. Davis added, "the '80s are over. Let's step towards efficiency."

Clinton's message of helping others and opportunity did reach the graduates in a generic sort of way. Both said they felt an obligation to give back to

the community but would have to figure out how to do it later.

Perhaps the President was really talking to Jeff Potter, a 22-year-old Pueblo, Colo., man who majored in political science. The son of missionaries in Portugal, Potter is going to Africa to relieve hunger.

He said that until about 30 years ago, Princeton's graduating classes didn't include women or minorities. That means, for the class of '96, Clinton's challenge to expand opportunities for everyone is "an even greater challenge," he said.

"It ends up being something each graduate has to make specific decisions on the lifestyle they lead, the careers they choose," Potter said.

Michael J. Rudolph, 22, of Gladwynne, Pa., was having a hard time disagreeing with Clinton. Rudolph calls himself a "supply-sider" and a strong Republican.

"Republicans and Democrats — their end goal, the vision — are almost the same," Rudolph said. "All they want is for America to be a better place."



Photo by Rick Harman
President Clinton gets the joke in Princeton graduate Charles Stowell's Latin oration.

Clinton Proposes College Tax Credit

By Martin Kessler

Princeton, N.J. — Anticipating major tax-cut proposals from his Republican challenger, President Bill Clinton yesterday bid to middle-class voters by offering two years of \$1,500 tax credits for college tuition in return for good grades and drug-free conduct.

"Our goal must be nothing less than to make the 15th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said in a commencement speech at Princeton University, emphasizing access to schooling as the key to economic growth and social cohesion.

While noting that workers with two years of college earn \$250,000 more over a lifetime than do high school graduates, Clinton said: "This is about the same as the economic and moral cost of ignoring the quality of our democracy."

Dubbed the HORT Scholarship Tax Cut, Clinton's proposed break would go far as Ivy League Princeton, where yearly tuition, room and board costs \$29,401. Administration officials said the incentive was priced for enrollment at two-year community colleges, though individuals from families with incomes up to \$100,000 could use the refundable credit beyond the first two years in a four-year school.

The national average for community college tuition is \$1,300, meaning that "education at the typical community college will now be free," Clinton said. Clinton issued a challenge to high-cost states — New York's community college costs average \$3,149 — to "offer the same quality education for less."

Adapted from a 1993 Georgia law providing state-funded scholarships to public colleges, the proposed tax credit supplements a family tax deduction of up to \$10,000 for post-high-school learning that was included in Clinton's 1997 budget submission. Most families would find the credit more advantageous than the deduction for colleges' first two years. White House economic adviser Owen Spivack said.

The Treasury Department worked until Monday night to find ways of paying for the new credit while still balancing the budget into balance by 2002.

The extra cost estimated by the administration came to \$7.9 billion. It would be covered through curbing foreign tax credits for multinational corporations, extending part of the radio spectrum and raising an international airport departure tax from \$6 to \$18. Clinton's budget assumes that currently expiring aviation taxes will be renewed.

After a first year of establishment, a student's right to get the tax break for another year would be conditioned

Pages and CLINTON on Page A17

CLINTON from Page A1

ed on having earned a minimum B-minus average and having no felony drug arrests. "We'll help ensure opportunity if you'll take responsibility," Clinton said. Part-time students would get credits topped at \$750.

Sen. Bob Dole (R-Kan.), the likely Republican presidential nominee, is reportedly considering a dramatic announcement addressing an income-based tax cut of 12 percent or a flattening of the tax structure. Spivack

said the administration's tax ideas weren't a campaign reaction and would have been ready last fall, except for the 1999 budget impasse. He said Clinton preferred an education-targeted tax cut because of his commitment to expanding college opportunity.

"There he goes again," Dole said skeptically while campaigning in Virginia. "Who knows what taxes he'll increase if he should be re-elected?" But the White House pointed out that after Clinton announced the community college tax credit in budget negotiations,

Dole called it "pretty good" during a Feb. 8 Iowa campaign event. "I'm not endorsing a White House effort to undermine any plant cut-out initiative by Dole," press secretary Mike McCurry said yesterday. "It's a screen-the-board talk, would require 'derailing' cases in Maryland or other programs, or even curbing your national defense."

In the very-quiet meeting, Clinton said more allegedly that "we should look with the greatest skepticism at any world where you'd provide away and the solutions."

Clinton copies HOPE plan

by Linda A. Johnson
Associated Press

PRINCETON, N.J. — Georgia Gov. Zell Miller joined his pal Bill Clinton on Tuesday as the president took a page from Mr. Miller's successful HOPE scholarship program and proposed new incentives to help students pay for two years of study after high school.

Speaking at Princeton University's graduation ceremony, Mr. Clinton unveiled a plan to give tax credits to cover the average cost of a two-year community college education. With Mr. Miller in attendance, Mr. Clinton called the \$1,500 annual credits "America's HOPE Scholarships."

"If we really want Americans — all Americans — to partici-

pate in the future that is now at your finger tips, we have got to increase the quality and the level of education not just for the graduates of Princeton and Georgetown and Yale... but for all the American people," the president said.

Georgia's lottery-funded HOPE program pays full college tuition for high school graduates who maintain a B average.

Mr. Clinton said his proposed tax credits could also be applied to tuition at four-year colleges or one-year technical programs and, similar to Georgia's HOPE program, all recipients would have to maintain a B average and stay off drugs.

"I think it's a bold and significant step," Mr. Miller said of

Please see HOPE on 3A

HOPE: Enrollment on the rise

Continued from 1A

Mr. Clinton's effort in an interview after the two-hour graduation ceremony. "It has worked well in Georgia and it will work well as the president has proposed it."

About 117,000 Georgia students received HOPE Scholarships this year: 43,160 students at public colleges, 29,840 at private colleges and 43,160 at technical schools, said Miller spokesman Rick Dent.

Since the HOPE program began three years ago, public college enrollment is up 3.4 percent, full-time private college enrollment is up 32 percent, and technical school enrollment is up 24 percent, Mr. Dent said.

"It's made a tremendous difference, because most parents want their children to get a higher education," Mr. Miller said, adding, "Our public and our private colleges and our technical schools are showing record enrollment."

The Augusta Chronicle
6/5/96

Clinton seeks tax break for college tuition

By Robert A. Rankin
Knight-Ridder Newspapers

PRINCETON, N.J. — President Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college education to succeed in the 21st century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 18th and 19th years of education as universal to all Americans as the first 12 are today," Clinton stressed at the 248th commencement exercises at Princeton University.

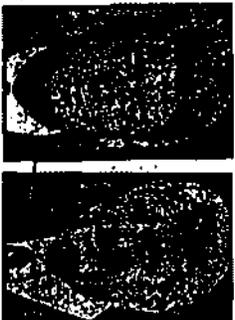
Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get an other \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

Clinton signed a similar Arkansas scholarship program that law in 1991. His new proposal — which he called America's Hope scholarships — is modeled after a 3-year-old Georgia program. That one provides full tuition, fees and books for any in-state public college or \$100 toward private-college expenses to any Georgia student who graduates from high school and maintains a "B" average in college. The program is paid for by revenues from the state lottery.

"I'm here to tell you this program will work," Georgia Gov. Zell Miller, a Democrat, told reporters here. "It's something that will make a difference in the lives of the people of this country. I've seen it work," said Miller, who flew here with Clinton, a close political ally.

Nearly 200,000 Georgia students have received Hope scholarships over the last three years, and the state's higher-education system is now the fourth-largest in America, Miller said. Enrollment at Georgia technical and public-college institutions alone has increased by 24 percent since the program began, according to White House reference sheets.

The current Republican Congress is unlikely to pass this latest Clinton plan, just as it has not approved his 18-month-old proposal to grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.



Bill Clinton

Zell Miller

The fact that Clinton proposes to pay for his new idea partly by selling a \$16 tax on each passenger leaving the country on international flights, and partly by raising taxes on exports by multinationals corporations, also gives chances for enactment by the anti-tax GOP Congress.

Indeed, Bob Dole quickly predicted that Clinton would end up raising taxes rather than cutting them if re-elected.

"There he goes again," said the innovative GOP presidential nominee while campaigning in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected."

But Dole praised the tax-credit idea when campaigning Feb. 3 in Indianapolis, Iowa, according to a quotation that White House aides passed out at Princeton. Commenting on their failed budget negotiations of January, Dole said, "President Clinton had an idea that was pretty good and that was credits for two-year colleges."

Clinton said the emerging global economy challenges America to lift its minimum education standards.

"Today, more than ever before in the history of the United States, education is the fault line — the great continental divide — between those who will prosper and those who will not in the new economy. . . . It will define the success or failure of our nation. It is no longer a dead issue, it is a sturdy bridge that will lead us all together from the old economy into the new," the president said in a 30-minute address.

The Moon Telegraph
6/5/96

6/05/96

Clinton offers tax credit to help finance the first two years of college

From News Services

PRINCETON, N.J. — Anticipating major tax-cut proposals from his Republican challenger, President Clinton sweetened his own bid to middle-class voters Tuesday by proposing a tax credit intended to make college more affordable for all high school graduates.

In a commencement address at Princeton University, Clinton said the tax credit is intended to expand the "standard of education" for Americans from the current 12 years of primary and secondary education to at least two years of college.

With earnings increasingly tied to education, Clinton said, "Our goal must be nothing less than to make the 13th and 14th year of education as universal as the first 12 are today."

Toward that goal, Clinton proposed a tax credit for tuition costs of \$1,500 annually for full-time students during the first two years of college.

Turn to CLINTON on A11

CLINTON from A1

Clinton's call for \$1,500 tuition tax credit raises stakes with Dole

Such a subsidy, Clinton argued, would allow high school graduates to afford at least a community college education. The credit, which would be \$750 for part-time students, also could be used to help defray expenses at a four-year college.

Clinton's call for the new tuition tax credit raised the bidding in his election-year tax-cutting competition with presumptive GOP nominee Bob Dole, who has been mulling a variety of tax-reduction plans.

Dole campaign officials refused to recognize Clinton's proposal as a tax cut, instead calling it a tax increase. That's because Clinton said he would pay for it partly by raising fees on passengers leaving the United States on international flights from \$6 to \$16 and by reducing a tax credit for U.S. companies with international sales. The White House said it would cover the plan's remaining cost by auctioning off part of the radio spectrum.

"There he goes again," said Dole, borrowing a line that GOP candidate Ronald Reagan used against then-President Jimmy Carter in a 1980 debate. "Who knows what taxes he'll increase if

he should be reelected."

Dole is weighing a series of recommendations for tax savings, including a proposal for a 15 percent across-the-board tax cut. He already has proposed a \$500 tax credit for certain charitable contributions that would cost \$15 billion to \$20 billion.

White House aides responded to Dole's criticisms by saying he had praised the idea of tax credits for college students earlier this year in telling Iowa voters. "President Clinton had an idea that was pretty good, and that was credits for two-year college students."

But House Speaker Newt Gingrich, R-Ga., called Clinton's proposal a campaign stunt. "In every election year, he's for tax cuts."

The proposed tax credit would cover only a small share of the tuition at elite private schools such as Princeton, which charges \$21,000 annually.

But White House officials said the credit — which provides a dollar-for-dollar reduction in federal taxes — would offset the full cost of tuition for two-thirds of U.S. community college students.

Under the proposal, students or their parents would be eligible for the credit during the students'

first year in college; to retain eligibility for the second year, students would have to earn at least a B average and avoid drug-related convictions.

With Congress unlikely to act on the tax credit idea this year, the proposal was noteworthy mostly for illuminating Clinton's continuing efforts to define a politically defensible role for Washington in what he called "a new progressive era."

While Dole and the Republican-controlled Congress have argued that the key to economic and social renewal is retrenching the role of government, Clinton continues to argue for government intervention, particularly in increasing access to education and training.

Clinton said Tuesday night that he will include in his budget plan a recommendation for a 10 percent tax credit for small businesses that subsidize their employees' education and training.

Clinton's call for the tuition tax credit builds on and overlaps his earlier proposal for a \$10,000 tuition deduction. The deduction would allow families to reduce their taxable income by as much as \$10,000 in tuition costs for any form of college or postgraduate education; the credit would reduce a family's actual tax bill by as much as \$1,500 annually for the first two years of college.

The credit would be refundable, which means that if a fam-

ily's tax burden was less than the value of the credit, it would receive the balance as a refund.

Joint filers earning as much as \$80,000 a year would be eligible for the tax credit or the deduction. A smaller tax break would be available to those with incomes between \$80,000 and \$100,000. Clinton aides said families could use either the tax deduction or the credit, but not both.

The tax credit would cost \$7.9 billion over six years. Combined with an earlier Clinton proposal to offer \$10,000 tax deductions for college expenses, the total cost would be \$42.9 billion, the White House said.

Clinton's proposal was the result of more than a week of internal debate: Political strategist Dick Morris urged Clinton to offer the new tax break, but Chief of Staff Leon Panetta, Treasury Secretary Robert Rubin, National Economic Adviser Laurz Tyson and Budget Director Alice Rivlin argued against the idea, White House aides said.

Morris argued that Clinton should preempt Dole, perhaps prompting the outgoing Senate majority leader to propose a more extreme tax-cut package than planned, said the aides.

6A DETROIT FREE PRESS/WEDNESDAY, JUNE 5, 1996 •

Clinton proposes college-education tax credits

GOP leaders slam idea as campaign stunt

BY SONYA ROSS
Associated Press

PRINCETON, N.J. — President Bill Clinton, sparring with Republican rival Bob Dole on taxes, on Tuesday proposed new incentives to help students pay for two years of study after high school.

In a commencement address at Princeton University, Clinton called for \$1,500 and \$750 tax credits that would make college available to everyone.

"It's America's most basic bargain," the president said. "We'll help create opportunity if you'll take responsibility.

"This is about more than money. This is about giving every single, solitary soul in this country a chance to be more fully alive."

The proposal brought a rebuke from Dole, the likely GOP presidential nominee. "There he goes again," Dole said in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected?"

Dole said Clinton had campaigned on a promise of a middle-class tax cut in

1992, then engineered a \$265-billion tax increase as president a year later.

House Speaker Newt Gingrich, R-Ga., also criticized Clinton's proposal as a campaign stunt. "In every election year, he's for tax cuts," Gingrich said in Washington.

The president's proposal builds on his earlier idea of a \$10,000-a-year tax deduction for college tuition and job training. That proposal has languished in Congress. The expanded offer — dubbed America's HOPE Scholarships — is for a \$1,500 tax credit for two years of college, or \$750 for part-time enrollment.

For low-income families, the \$1,500 and \$750 credits would help more than the \$10,000 deduction because they would be eligible for the tuition relief even if they paid no taxes. Families could choose from either program.

To remain eligible after the first year, a student would have to maintain a "B" average and stay off drugs.

The White House estimates the cost at \$8 billion over six years — in

addition to \$35 billion already in Clinton's budget for the tax-deduction program.

To offset the cost, Clinton would reinstate a lapsed \$6 departure fee for

international air travelers and boost it by \$10 a passenger. He also would increase taxes on corporations by \$3.5 billion and earmark money from the auction of radio spectrum.

Clinton Pushes Tax Incentives For Tuition

\$1,500 Credit Per Year Would Offset College Costs

1996, Knight-Ridder Newspapers

PRINCETON, N.J. — President Bill Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college education to succeed in the 21st-century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton stressed at the 249th commencement exercise at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

The current Republican Congress is unlikely to approve this latest Clinton plan. It has not adopted Clinton's 18-month-old proposal to
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ST. LOUIS POST-DISPATCH

Clinton

From page one

grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new idea partly by adding a \$16 tax on each passenger leaving the country on international flights and partly by raising taxes on exports by multinational corporations also dims chances for enactment by the anti-tax GOP Congress.

Indeed, Senate Majority Leader Bob Dole quickly predicted that Clinton would end up increasing taxes rather than cutting them if re-elected. "There he goes again," said Dole, the presumed GOP presidential nominee, while campaigning in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected."

But Dole praised the tax-credit idea when campaigning Feb. 3 in Indianola, Iowa, according to a quotation that White House aides distributed at Princeton. Commenting on their failed budget negotiations of January, Dole said, "President Clinton had an idea that was pretty good, and that was credits for two-year colleges."

In his commencement address, Clinton said the emerging global economy challenges America to raise its minimum education standards.

"Today, more than ever before in the history of the United States, education is the fault line — the great continental divide — between those who will prosper and those who will not in the new economy. . . . If all

POST links to Clinton's proposal and speech. . . . POSTnet details, Page 2A

Americans have access to education, it is no longer a fault line; it is a sturdy bridge that will lead us all together from the old economy into the new," Clinton said.

"This is about far more than economics and money. It is about preserving the quality of our democracy."

Republicans say Clinton is just playing "me too" politics.

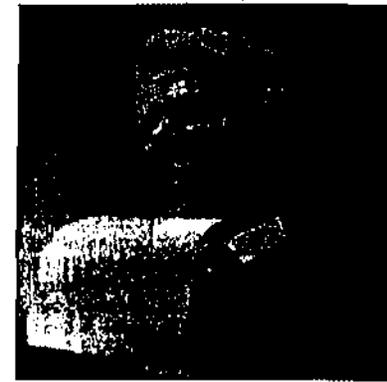
He offered his latest tax-break proposal as Dole is weighing whether to offer a dramatic tax-cut plan of his own to jump-start his campaign.

But White House aides say Clinton's latest tax-break proposal stems from his career-long dedication to boosting education standards, both as Arkansas governor and U.S. president.

Clinton signed a similar Arkansas scholarship program in 1991. His new proposal — which he called America's Hope scholarships — is modeled after a three-year Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college. The program is paid for by revenues from the state lottery.

Clinton chose a \$1,500 tax credit, aides said, because that would cover costs at 67 percent of U.S. community colleges, although students would be eligible for it at any institution of higher learning. Part-time students would be eligible for credits up to \$750. The credits would be indexed to rise with inflation annually.

Both credits would be subtracted directly



AP
President Bill Clinton laughs at the Latin salutatory oration of Charles P. Stowell at Princeton's graduation Tuesday. Stowell poked fun at Clinton's years at Yale Law School.

from taxes owed.

Under Clinton's plan, students could choose either the Hope tax credit or his earlier proposal of a \$10,000 tax deduction of tuition expenses. Deductions are subtracted from taxable income, not from taxes owed.

For families earning about \$50,000 or less annually, the credit would cut their taxes owed far more than the deduction would, aides said.

The Hope credit is estimated to cost \$25.1 billion over six years. When combined with the \$10,000 deduction, the cost to the Treasury would total \$42.9 billion over six years, the White House estimates.



■ President Clinton delivers the commencement address at Princeton University in New Jersey Tuesday. He used the speech to propose a plan to provide tax credits to pay for college educations.

Associated Press

Clinton proposes \$1,500 tax credits to pay for college

Washington Post

PRINCETON, N.J. — President Clinton unveiled a hastily assembled, election-year plan to offer \$1,500 tax credits to pay for higher education, and said his goal is to make two years of college the norm in American life.

Clinton used extravagant terms to describe his plan to use the tax code to create a government entitlement for lower- and middle-income Americans. It would, he said to a graduation audience at Princeton University, "make those two years of college as universal as four years of high school," because "education at the typical community college will now be free."

Clinton rushed forward with his plan — which White House aides said they were still fine-tuning late in the night Monday — at the same time Senate Majority Leader Bob Dole, R-Kan., says he is weighing various proposals for steep cuts in the income and capital gains taxes.

The administration's latest entry in the tax derby would offer a one-year, \$1,500 tax credit to be applied to college tuition. Students who maintain a B average in their studies would be eligible for a second \$1,500 credit the next year. The tax credit would be gradually phased out for individuals making between \$50,000 and \$70,000 a year, and for couples filing jointly with incomes between

\$80,000 and \$100,000 a year.

Money for the new plan would be raised, in part, by reinstating a lapsed aviation tax on departing international flights and raising the per-passenger fee from \$8 to \$16.

Clinton earlier had proposed a \$10,000 tax deduction to be applied toward higher education.

A tax credit works essentially like a direct payment from the government. Taxpayers would figure out what taxes they owe, and then deduct \$1,500, even if that meant the government owed them money. Under the tax deduction, taxpayers would subtract \$10,000 from total income, then pay taxes on the balance. Taxpayers would decide whether the credit or deduction makes more sense for them.

Campaigning in suburban Richmond, Va., Dole complained that Clinton's proposal was no more believable than the one he made in 1992 for a middle-class tax cut and abandoned the next year with a deficit-reduction plan that included tax increases.

"There he goes again," Dole told a Chesterfield County audience. "Who knows what taxes he'll increase if he should be re-elected."

The timing of Clinton's new plan left White House officials laboring to explain why Republicans were incorrect about Clinton's motivation. White House economic adviser Gene

Sperling said Clinton had considered the plan in the fall, but that it got put aside during the White House's failed balanced-budget negotiations with congressional Republicans.

As a practical matter, however, the import of Clinton's proposal — at least for the near term — is almost solely political. The reaction of Republicans made plain that the tax credit proposal will languish in Congress just as the tax deduction proposal did.

But from Clinton's perspective, the value of the tax credit plan is that it is a way of defining himself before the electorate.

In balanced-budget discussions, Clinton has said he favors cutting government, but wants to expand the federal role in education. Likewise, on tax matters, Clinton said tax relief aimed at subsidizing education would be better for the economy than a broad tax cut, which he says would disproportionately benefit the rich.

White House aides identified the savings they said would prevent Clinton's proposal — dubbed "HOPE scholarships" — from adding to the deficit.

The administration estimates the tax credit, if enacted, would cost about \$25.1 billion between the next fiscal year and 2002. The availability of a tax credit, however, means that fewer people would be taking advantage of the proposed tax deduction.

Clinton asks tax credits for college

LOS ANGELES TIMES/WASHINGTON POST
NEWS SERVICE

PRINCETON, N.J. — President Clinton yesterday unveiled a hastily assembled election-year plan to offer \$1,500 tax credits to pay for higher education, and said his goal is to make two years of college the norm in American life.

Clinton described his plan to use the tax code to create a government entitlement for lower- and middle-income Americans in extravagant terms. It would, he said to a graduation audience at Princeton University, "make those two years of college as universal as four years of high school," because "education at the typical community college will now be free."

Clinton rushed forward with his plan — which White House aides said they were still fine-tuning late in the night on Monday — at the same time Senate Majority Leader Bob Dole, R-Kan., says he is weighing various proposals for steep cuts in the income and capital gains taxes.

The administration's latest entry in the tax derby would offer a one-year, \$1,500 tax credit to be applied to college tuition. Students who maintained a B average in their studies would be eligible for a second \$1,500 credit the next year.

The tax credit would be gradually phased out for individuals making between \$50,000 and \$70,000, and for couples filing jointly with incomes between \$80,000 and \$100,000.

The administration says it will ask Congress to raise \$2.3 billion by reinstating aviation fees on departing international flights, from \$6 to \$16 per passenger, starting in August of this year.

In addition, it envisions raising \$3.5 billion by changing the rules by which multinational corporations avoid taxes on some export income. Another \$2.1 billion would be raised by taking parts of the radio spectrum now reserved for new digital audio services and instead auctioning the band space for "subscription-based wireless services," such as personal paging and home banking.

Clinton earlier had proposed a \$10,000 tax deduction to be applied toward higher education. A tax credit works essentially like a direct payment from the government. Figure what taxes you would ordinarily owe, and then deduct \$1,500, even if that means the government owes you money. Under the tax deduction, you would subtract \$10,000 from total income, then pay taxes on the balance. Taxpayers would decide whether the credit or deduction makes more sense for them.

Campaigning in suburban Richmond, Dole complained that Clinton's proposal was no more believable than the one he made in 1992 for a middle-class tax cut and abandoned the next year with a deficit-reduction plan that included tax increases.

"There he goes again," Dole told a Chesterfield County audience. "Who knows what taxes he'll increase if he should be re-elected."

House Speaker Newt Gingrich, R-Ga., also dismissed the proposal. "I love watching the president during

an election," he told reporters. "I mean, every year he's for tax cuts. But it worries me: Does that mean that in '97 he'll be for a giant tax increase on college students?"

The timing of Clinton's new plan left White House officials laboring to explain why Republicans were incorrect about Clinton's motivation. White House economic advisor Gene Sperling said Clinton had considered the plan last fall, but that it got put aside during the White House's failed balanced-budget negotiations with congressional Republicans.

As a practical matter, however, the import of Clinton's proposal — at least for the near term — is almost solely political. The reaction of Republicans made plain that the tax credit proposal will languish in Congress just as the tax-deduction proposal did.

But from Clinton's perspective, the value of the tax-credit plan is a way of defining himself before the electorate. In balanced-budget discussions, Clinton has said he favors



THE ASSOCIATED PRESS

LIGHT MOMENT. President Clinton, a Yale graduate, showed there were no hard feelings during graduation at Princeton University.

cutting government but wants to expand the federal role in education. Likewise, on tax matters, Clinton said tax relief aimed at subsidizing

education would be better for the economy than a broad tax cut, which he claims would disproportionately benefit the rich.

RICHMOND TIMES-DISPATCH 5/06/96

Clinton pushes college tax credit

For first 2 years, eligible families could get \$3,000

By CARL M. CANNON
SUN NATIONAL STAFF

WASHINGTON — President Clinton, keeping active in the election year tax-cut derby, yesterday proposed a tax credit worth \$3,000 during the first two years of college for students from families earning less than \$100,000.

"Today, more than ever before in the history of the United States, education is the fault line — the great Continental Divide — between those who will prosper and those who will not in the new economy," Clinton said. "This is about far more than economics and money. It is about preserving the quality of our democracy."

The proposal, which is given little chance of approval by a Republican Congress in this election year, could hasten a bidding war on tax cuts between Clinton and his Republican rival, Bob Dole. At the same time, both men vow that they are committed to erasing a budget deficit that could be worsened by tax cuts.

Dole has been under pressure to propose his own election-year tax cut, with some aides urging him to offer a 15 percent across-the-board in-

come-tax reduction.

"This is not a wild across-the-board tax cut," Leon E. Panetta, the White House chief of staff, said of Clinton's plan. "This is a responsible tax cut, targeted toward education."

White House policy aides said Clinton's proposal was meant to supplement the administration's earlier push for a \$10,000 tax deduction for college tuition, although families would not qualify for both at the same time.

The plan, announced yesterday by the president in a commencement address at Princeton University, is a straight tax credit of \$1,500 for the (See Clinton, 12A)



Doctor: Princeton University Chief Marshal John Fleming awards President Clinton an honorary doctorate of law.

Clinton offers tax credit for first 2 years of college

(Clinton, from Page 1A)

first year and another \$1,500 during the second year, provided that the student maintains at least a B-minus average and is not convicted of any drug offense.

That kind of money would not go far at Princeton, where tuition, fees and living expenses approach \$30,000 a year. But it is aimed at a group of potential students — and voters — whom White House planners believed they overlooked in their earlier proposal: community college students.

"Two years of college means a 20 percent increase in annual earnings," the president told the graduating seniors. "People who finish two years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime."

Georgia model

The program is patterned after a statewide effort launched three years ago in Georgia. There the cost is financed with proceeds from the state lottery.

To pay for the Clinton plan, Gene Sperling, a budget adviser, outlined a series of proposed increases in corporate taxes and user fees, including raising the airport fees for international passengers from \$6 to \$16.

Republican leaders avoided criticizing Clinton's proposal directly, but they did poke fun at him on the overall issue of taxes.

Campaigning in Virginia, Dole noted that Clinton had promised middle-class tax cuts in 1992 as well, but after he was elected successfully pushed through tax increases instead.

"People who finish two years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime."

President Clinton

Not until after Democrats lost both houses of Congress in 1994 did Clinton propose tax cuts.

"There he goes again," Dole said, borrowing Ronald Reagan's famous 1980 put-down of President Jimmy Carter. "Who knows what taxes he'll increase if he should be re-elected?"

House Speaker Newt Gingrich, in a session with reporters, added: "I love watching Bill Clinton in an election year. Every election year, he's for tax cuts."

Steve Forbes, a Princeton alumnus who ran against Dole in the primaries on the issue of a sweeping flat tax, had another ob-

jection to Clinton's proposal: It does not go far enough.

"We need big strides," Forbes told reporters at Princeton. "Not baby steps."

But if the president's proposal is considered only an incremental change in tax reform, it represents a major shift in the thinking of how the government views education.

Currently, education, from kindergarten through 12th grade, is considered a state obligation, with further studies or training the responsibility of individual students.

Cultural change

Clinton aides said the president favors a sweeping cultural change — to view the first two years of post-high school education as essential for a successful career.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said yesterday.

Although its details were not made public at the time, Clinton first raised the tax credit idea this past winter, during his unsuccessful budget negotiations with Republican leaders, including Dole. The Kansas Republican recently resigned from the Senate and his post as majority leader.

On Feb. 3, during the primaries, Dole alluded to the proposal during an appearance in Iowa — a fact White House aides were eager to share with reporters.

"I might say on the junior college level, the community college level, in all these 50 hours of talks, President Clinton had an idea that was pretty good — and that was credits for two-year college students," Dole said then.

Clinton proposes tuition tax break

By **ROBERT A. RANKIN**
Herald Washington Bureau

PRINCETON, N.J. — President Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college education to succeed in the 21st Century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said at the 249th commencement exercise at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

The current Republican Congress is unlikely to pass this latest Clinton plan, just as it has not approved his 18-month-old proposal to grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new program partly by imposing a \$16 tax on each passenger leaving the country on international flights, and partly by raising taxes on exports by multinational corporations, also dims chances for enactment by the anti-tax GOP Congress.



Clinton

Clinton said the emerging global economy challenges America to lift its minimum education standards.

"This is about far more than economics and money. It is about preserving the quality of our democracy," Clinton said in his 30-minute address.

Clinton signed a similar Arkansas scholarship program into law in 1991. His new proposal — which he called America's Hope scholarships — is modeled after a 3-year-old Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college. The program is paid for by revenues from the state lottery.

Clinton chose a \$1,500 tax credit, aides said, because that would cover costs at 67 percent of U.S. community colleges, although students would be eligible for it at any institution of higher learning. Part-time students would be eligible for credits up to \$750. The credits would be indexed to rise with inflation annually.

Both credits would be subtracted directly from taxes owed. If the credit exceeded taxes owed, a taxpayer would be refunded the balance.

Under Clinton's plan, students could choose either the Hope tax credit or his earlier proposal of a \$10,000 tax deduction of tuition expenses. Deductions are subtracted from taxable income, not from taxes owed.

For families earning about \$50,000 or less annually, the credit would cut their taxes owed far more than the deduction would, aides said.

Clinton adds taxes to campaign's mix

The proposal for a tuition tax credit is a political broadside in the presidential race.

By William Neidert and Charles M. Madigan
Tribune Staff Writers

PRINCETON, N.J.— Reaching straight for the support of middle-class parents, President Clinton on Tuesday proposed a \$1,500 tax credit that essentially would open the doors of community college to almost everyone.

In a commencement address at Princeton University, where the annual tuition is \$21,000, Clinton tried to stake out the political high ground on an issue of widespread public import.

Along with the president's standing proposal for a \$10,000 tax deduction for college tuition, the tax-credit plan made a powerfully attractive package for parents wondering how they can afford higher education bills.

But neither tax-relief plan has a snowball's chance of making it through Congress as long as Republicans control the House and Senate, a reality underlined by immediate hostile reactions from GOP presidential hopeful Bob Dole, House Speaker Newt Gingrich and other key Republicans.

"I think he knows that is not going anywhere," said Sen. Pete Domenici, the New Mexico Republican who chairs the Senate Budget Committee. "More of the same."

Instead, the Clinton education package stands as a Democratic political broadside in the war for the White House and an attempt by Clinton to grab some of the tax-break thunder while Dole prepares his own tax-cut plan.

Clinton and Dole have been dancing around one another on campaign issues for a few weeks, like boxers testing for openings and seeking advantage.

Clinton's entry Tuesday added taxes to a list that already included abortion policy, welfare and crime.

For the president, the goal has been to keep himself well within the hot zone of polling results that give him a wide advantage over Dole. For Dole, the challenge has been to find the cracks and soft spots he can use to win support.

True to the nature of this contest, Dole's response to Clinton's tax proposal Tuesday was rapid and reminiscent of the Republican Party's favorite

Taxes

CONTINUED FROM PAGE 1

modern-era president, Ronald Reagan.

"There he goes again," Dole said, borrowing the putdown Reagan used against Jimmy Carter in a 1980 TV debate. "Who knows what taxes he will increase if he should be re-elected."

"In every election year, he's for tax cuts," said Gingrich.

Clinton said the goal was to make at least 14 years of schooling "as universal as the first 12 are today." Students would have to maintain a "B" average and not get caught using marijuana or other controlled substances.

"It will open the doors of college opportunity to every American, regardless of their ability to pay," Clinton said. "Education at the typical community college will now be free."

The Clinton plan would provide a tax credit equal to or more than the tuition paid by about two-thirds of all students attending community colleges in 33 states, according to the White House.

The president said the other 17 states should find some way to lower community college tuition to \$1,500 so that high school graduates could have two free years of school. The average community college tuition nationwide is \$1,300.

The credit also could be applied to tuition for the first two years at a four-year college. Families could take either the credit or a \$10,000 tax deduction for tuition, a plan Clinton proposed a year ago but that has been blocked by the Republican-controlled Congress.

Anticipating a harsh Republican response, Clinton's staff already had picked the taxes and fees they would like to increase to pay for his tax-credit plan, which would cost some \$7.9 billion over six years. The tax-deduction plan has a \$35 billion price tag over the same period.

The White House also released a Dole statement from February in which the senator said he thought Clinton's idea for tax credits for two-year college students "was pretty good."

Clinton would pay for the education program by squeezing additional revenue from current export sales taxes, which aides say would produce \$3.5 billion; charging a \$18 airport passenger departure fee for international flights, which would produce \$2.3 billion; and by auctioning off radio frequencies, for an additional \$2.1 billion.

The tax and fee ideas have a yard-sale feel to them, one sign of how sensitive everyone is about tax revenues in this presidential election year.

White House adviser Gene Sperling said the choices were the "least unattractive" options on what he called "a pretty ugly list."

Clinton's plan put him in the center, at least for a few days, of what promises to be an extended debate over tax policies as the presidential campaign proceeds.

Both Clinton and Dole have pledged to find a way to balance the federal budget, but the Republicans have become more aggressive about the issue in the last few days.

In Illinois, for example, they are running television ads that track Clinton's changeable record on the issue of balanced budgets.

At the same time, Dole and his staff are working hard to put together their own tax-relief plan. It reportedly will include a call for a 15 percent across-the-board tax cut, although there is concern about what might be cut on the spending side to help pay for it.

Dole already has called for a \$500 tax credit for certain charitable contributions, a proposal that would cost \$15 billion to \$20 billion.

Clinton's plan for a direct tax credit is aimed at solving a problem presented by the \$10,000 college tuition deduction. Such deductions usually favor higher-income families, while tax credits can help anyone who pays taxes because they are sliced right off the tax bill.

Not surprisingly, the proposal got high marks immediately from those who stand to gain the most financially—people who run colleges.

"In Chicago alone, it would certainly open the door to literally thousands of young and not-so-young people who would otherwise not pursue the option of a college degree," said Ronald Temple, chancellor of City Colleges of Chicago.

A red flag came from Robert Reischauer, the former director of the Congressional Budget Office, who called the proposal "bad tax policy and bad economic policy. Other than that, it's a good idea."

Reischauer said it would be better to spend the money improving troubled elementary and high schools, where educational problems are most severe.

Tribune staff writers Mary Jacoby, Mike Dorning and Nathaniel Sheppard contributed to this report from Washington.

NATIONAL NEWS

\$1,500 college 'credit' offered

Clinton tax plan covers two years

By ROBERT A. RANKIN
Knight-Ridder Newspapers



PRESIDENT CLINTON
'Education is the fault line'

PRINCETON, N.J. — President Clinton proposed a new tax break for college tuition Tuesday, arguing that every American will need at least two years of college to succeed in the 21st century economy.

"I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said at the 249th commencement exercise at Princeton University.

Students would get a refundable tax credit worth up to \$1,500 to offset first-year tuition expenses at any post-high school institution of higher learning. They could get another \$1,500 credit in their second year if they maintained a "B" average and avoided felony convictions for drug use.

The current Republican Congress is unlikely to pass this latest Clinton plan, just as it has not approved his 18-month-old proposal to grant a \$10,000 tax deduction for higher-education expenses — which he still advocates.

The fact that Clinton proposes to pay for his new idea partly by adding a \$18 tax on each passenger leaving the country on international flights, and partly by raising taxes on exports by multinational corporations, also dims chances for enactment by the anti-tax GOP Congress.

Indeed, Senate Majority Leader Bob Dole quickly predicted that Clinton would end up raising taxes rather than cutting them if re-elected.

"There he goes again," said the presumptive GOP presidential nominee while campaigning in Chester, Va. "Who knows what taxes he'll increase if he should be re-elected."

But Dole praised the tax-credit

idea when campaigning Feb. 3 in Indianola, Iowa, according to a quotation that White House aides passed out at Princeton. Commenting on their failed budget negotiations of January, Dole said, "President Clinton had an idea that was pretty good, and that was credits for two-year colleges."

Clinton said the emerging global economy challenges the United States to lift its minimum education standards.

"Today, more than ever before in the history of the United States, education is the fault line — the great continental divide — between those who will prosper and those who will not in the new economy. . . . If all Americans have access to education, it is no longer a fault line, it is a sturdy bridge that will lead us all together from the old economy into the new," Clinton said in a 30-minute address.

Critics say Clinton is just playing "me too" politics.

His latest tax-break proposal came as Dole is weighing whether to offer a dramatic tax-cut plan to jump-start his campaign.

But White House aides say Clinton's latest tax-break proposal stems from his career-long dedication to boosting education standards, both as Arkansas governor and president.

Clinton signed a similar Arkansas scholarship program into law in 1991. His new proposal, which he called America's Hope scholarships, is modeled after a 3-year-old Georgia program. That one provides full tuition, fees and books for any in-state public college, or \$3,000 toward private-college expenses, to any Georgia student who graduates from high school and maintains a "B" average in college.

NationWorld

PAGE 5A WEDNESDAY, JUNE 5, 1996

Clinton calls for college tax credit

Pushing a \$1,500-a-person plan, president says 'we'll pay the tuition' for first two years.

Associated Press and Reuters

PRINCETON, N.J. — President Clinton, in an election-year bidding war with Bob Dole over tax breaks, proposed a \$1,500-a-student tax credit Tuesday for the first two years of college, saying: "Go to college, we'll pay the tuition."

Clinton's proposal, to be financed in part by higher taxes on corporations and a \$16-per-passenger departure fee for international flights, brought immediate ridicule from his Republican rival.

"There he goes again," said Dole, borrowing Ronald Reagan's 1980 rebuke of then-President Carter. "Who knows what taxes he'll increase if he should be re-elected."

Campaigning in Chester, Va., Dole reminded his audience that Clinton promised a middle-class tax cut when he campaigned in 1992, only to increase taxes after taking office.

Dole is weighing a series of recommendations for tax savings, including a proposal by some advisers for an across-the-board tax cut. He already has proposed a \$500 tax credit for certain charitable contributions that would cost \$15 billion to \$20 billion.

Clinton, in a commencement address at Princeton University, said the 13th and 14th years of education should be standard because this would boost incomes and growth.

"If we really want all Americans to participate in the future that is now at your fingertips, we have got to increase the quality and the level of education, not just for the graduates of Princeton and Georgetown and Yale ... but for all American people," Clinton said.

Clinton's tuition credit proposal would cost taxpayers \$7.9 billion over six years. Combined with his earlier plan to offer \$10,000 tax deductions for college expenses, the total price tag would be \$42.9 billion, according to the White House.



Dole to end his 35-year Senate career Tuesday. Page 8A

S.F. Chronicle 6/5/96 A20

Hurray for College Tax Credit

CONTRARY TO Bob Dole's smart-alecky "there he goes again" response to President Clinton's proposal for a college tax credit, the government could hardly make a better investment in the nation's future.

Speaking at Princeton University yesterday, Clinton proposed giving parents a choice: they could take a \$1,500-a-student tax credit for the first two years of college or claim a tax deduction on post-high school education of up to \$10,000 a year.

Unlike GOP tax cut proposals that primarily benefit the rich, the credit could not

be used by families earning more than \$100,000.

And the president deserves praise — not Dole's knee-jerk political sneering — for spelling out precisely how he would pay for the plan without increasing the deficit. The money, Clinton said, would come from reducing a tax break for multinational companies, boosting airport fees on international travelers and selling off part of the radio spectrum.

Regarding the importance of higher education, the president's priorities are in proper order.

6TH STORY of Level 1 printed in FULL format.

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The Houston Chronicle

June 5, 1996, Wednesday, 3 STAR Edition

SECTION: a; Pg. 1

LENGTH: 924 words

HEADLINE: Tax credit for tuition proposed;
Clinton plan offers \$ 1,500 for college

BYLINE: NANCY MATHIS; Staff

DATELINE: PRINCETON, N.J.

BODY:

PRINCETON, N.J. - Outlining an election-year tax cut, President Clinton on Tuesday proposed a new \$ 1,500 tuition tax credit that could help guarantee two years of college education for all Americans.

Payment for the net cost of the credit would come from an increase in departure fees for airline passengers traveling outside the country and curtailment of foreign tax credits for U.S. businesses, among other items.

Clinton, in a commencement address at Princeton University, said the two-year tax credit was vital to keeping Americans prospering in a 21st century economy and for making at least two years of college as accessible as high school.

"I want to say today that I believe the clear facts of this time make it imperative that our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today," Clinton said.

"This is not just for those individuals, this is for America.

Your America will be stronger if all Americans have at least two years of higher education," Clinton said.

Senate Majority Leader Bob Dole, the presumptive Republican presidential nominee, criticized the tax increase proposals made by Clinton to pay for the tax credits.

"There he goes again," Dole said while campaigning in Virginia, using the line Ronald Reagan made famous in a debate with Jimmy Carter. "Who knows what taxes he will increase should he be re-elected? "

Clinton's tax-break plan has little chance of passing in the

The Houston Chronicle, June 5, 1996

Republican-controlled Congress.

The bulk of the education program's six-year \$ 25 billion cost would come from alterations in the previously proposed \$ 10,000 tax deduction that would provide all but \$ 7.9 billion.

Clinton proposed restoring an expired international airline departure fee and increasing it from \$ 6 per passenger to \$ 16 per passenger to raise \$ 2.3 billion over six years. The plan would raise another \$ 3.5 billion by reducing the foreign tax credits businesses claim as export profits on foreign sales.

The sale of radio frequency spectrums could bring another \$ 2.1 billion.

The White House immediately released a comment Dole made in February while campaigning in Iowa in which he praised Clinton's tax credit suggestion, initially made during the budget negotiations between the administration and Republican congressional leaders last fall.

"In all these 50 hours of talks we talked about, President Clinton had an idea that was pretty good and that was credits for two-year college students," Dole said on Feb. 3, according to the White House document.

Officials denied Clinton's announcement was connected to politics or tied to speculation about Dole's consideration of a tax cut proposal.

"The White House has absolutely no idea what proposals, if any, Senator Dole will make. We remain committed to expanding college opportunities. We've been working on this idea for some time. . . and the president believes this is a good idea," said Mike McCurry, the White House spokesman.

Dole was campaigning in Richmond, Va., touring an affordable housing complex to point up his contention that the federal deficit is responsible for higher interest rates.

Dole reminded the crowd that Clinton had campaigned on a middle-class tax cut in 1992 but pushed through a \$ 265 billion tax increase as president in 1993. The tax increase was part of Clinton's \$ 500 billion deficit-reduction plan that year.

Dole himself voted for tax increases in 1982 and 1990 to reduce the deficit.

The White House calls the new tax credit proposal the Hope Scholarships and said it was patterned after a similar program in Georgia, where community college enrollments have nearly doubled since the state grant began in 1993.

The scholarships would provide a \$ 1,500 tax credit for the first year of community college or university tuition for

The Houston Chronicle, June 5, 1996

families earning up to \$ 100,000 or single taxpayers earning up to \$ 75,000.

For the second year under Clinton's plan, the student must have earned at least a B average to qualify for the \$ 1,500 tax credit. A tax credit, unlike a deduction, ensures the taxpayer receives full credit for the amount.

The latest announcement would allow families to choose either the \$ 10,000 deduction or the \$ 1,500 tuition tax credit.

The average cost of tuition and fees in Texas' public two-year colleges is \$ 672 per school year.

Clinton said that a college-educated worker earns 73 percent more than a high school graduate today, compared to 38 percent more than 15 years ago.

Clinton, in a ceremony honoring Princeton's 250th anniversary, called his proposal "America's most basic bargain. We'll help create opportunity if you'll take responsibility." He asked the 1,107 Princeton graduates to "not walk away from our common purpose" even though they, because of their education, likely will prosper.

Princeton's annual tuition and living expenses total \$ 29,500 a year, making the Ivy League school one of the nation's most expensive.

Georgia Gov. Zell Miller, who flew with Clinton to Princeton, called Clinton's proposal "this very bold and this very far-reaching program." He said Georgia is approaching 200,000 students who have received the state scholarship.

"We live in a time where it is more important for our students to get a college education than ever before. But we also live in a time where it's never been harder for families to pay for that education," Miller said.

GRAPHIC: Photo: President Clinton addresses Princeton University graduates Tuesday (p. 18); Associated Press

LANGUAGE: ENGLISH

LOAD-DATE: June 6, 1996

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Sacramento Bee

June 5, 1996, METRO FINAL

SECTION: MAIN NEWS; Pg. A1

LENGTH: 1320 words

HEADLINE: CLINTON ASKS FOR NEW AID FOR COLLEGE

BYLINE: Leo Rennert, Bee Washington Bureau Chief

DATELINE: WASHINGTON

BODY:

President Clinton, in a sweeping call to extend universal education through two years of college, Tuesday proposed a \$ 1,500-a-year tax credit to enable students from modest-income families to pay tuition and fees in their freshman and sophomore years.

The tax credit, dubbed a Hope Scholarship, would give two-thirds of all community college students throughout the country a tuition-free education. It also could be used to lower expenses in the first two years at four-year institutions.

With Republicans pushing higher, across-the-board tax cuts, Clinton opted for a less pricy tax incentive aimed at working Americans who find it increasingly difficult to send children to college.

Combined with a previous Clinton proposal for a \$ 10,000-a-year tax deduction for post-high school training and education expenses, the new plan would cost the Treasury an estimated \$ 42.9 billion over the next six years -- a \$ 7.9 billion increase over the earlier program.

To keep his pledge to balance the budget by 2002, Clinton recommended \$ 7.9 billion in revenue offsets, including \$ 2.3 billion from extending the international departure fee for airline passengers and raising it from \$ 6 to \$ 16; \$ 2.1 billion from radio-spectrum auctions; and \$ 3.5 billion from higher taxes on multinational corporations.

Sen. Bob Dole, Clinton's presumptive November challenger, and House Speaker Newt Gingrich questioned the timing and credibility of Clinton's proposal.

"There he goes again," Dole said. "Who knows what taxes he'll increase if he should be re-elected."

Gingrich also dismissed the proposal. "I love watching the president during an election," he said. "I mean, every year he's for tax cuts. But it worries me: Does that mean that in '97 he'll be for a giant tax increase on college students?"

Sacramento Bee, June 5, 1996

Clinton unveiled his new plan in a commencement address at Princeton University, where he told graduates of the expensive Ivy League school that, while his proposal was not tailored to their needs, they would greatly benefit from living and working in a better-educated America.

"America will be stronger if all Americans have at least two years of higher education," he said.

With Americans having to compete in a global, high-tech marketplace, Clinton said, education more than ever is the key to improved living standards.

Under Clinton's plan, students could opt for either a tax credit of up to \$ 1,500 or a deduction of up to \$ 10,000 but not both. Once the two-year credit was exhausted, students could switch to the deduction in their junior year and beyond.

The credit represents a better break for those in lower tax brackets and is designed to help Clinton firm up his Democratic base this fall; the deduction would be a bigger bargain for those in higher ones.

For example, a student with tuition costs of \$ 2,000 would be able to write off \$ 1,500. Even if that student had little or no tax liability, he or she still could claim the tax credit for the full amount of tuition up to \$ 1,500.

In contrast, a family with a \$ 10,000 tuition bill in the 28 percent bracket could use the deduction to lower its taxes by \$ 2,800.

Clinton said students could get a second Hope Scholarship in their sophomore year only if they earned at least a B average in their freshman year and stayed off drugs.

Based on 1994-1995 figures, the administration said Clinton's tax-credit plan would cover 100 percent of tuition costs at community colleges in all but 17 states. Fees at two-year institutions in California would have been fully covered if the plan had been in effect last year, as would most of the fees at a California State University campus.

With Clinton and the GOP-controlled Congress far apart, the White House does not expect its plan to win approval this year. But Clinton decided to give it high visibility as part of a strategy to develop a set of expanded federal incentives and benefits to help working families overcome wage stagnation and job insecurity.

Clinton touted another budget proposal with significant increases for Pell grants to low-income college students. Under his six-year, balanced-budget plan, Pell grants would rise from a maximum of \$ 2,470 this year to \$ 2,700 in 1997 to \$ 3,128 in 2002.

The White House said the new GOP congressional budget would reduce maximum Pell awards to \$ 2,055 by 2002 and authorize 2.7 million fewer grants over six years.

By sharpening his focus on middle- and lower-income groups, the president sought to distinguish his tax cuts from the GOP's. Many Dole advisers have been

Sacramento Bee, June 5, 1996

pushing a 15 percent across-the-board income tax cut or a two-tier flat tax of 15 percent and 28 percent brackets. Either way, such plans would entail larger losses of federal revenues and disproportionately benefit the wealthiest taxpayers who now pay a 39.6 percent income tax rate.

GRAPHIC: Bee/Mitchell Brooks

Tuition assistance

President Clinton on Tuesday proposed expanding a tuition assistance program for families with college students. Clinton earlier backed a tuition tax deduction up to \$ 10,000 per year for families. Both programs would be phased out when joint filers reached \$ 80,000 to \$ 100,000 in income. Here are the details:

\$ 1,500 Tax credit: Families could receive a tax credit for college tuition fees up to \$ 1,500 per student for each of the first two years of college. The tax credit, a direct subtraction from the income tax bill, would cover tuition payments for most students attending two-year community colleges. College students attending half-time could get up to \$ 750 annually for two years. To continue eligibility, students would have to maintain a B average and stay drug-free. Six-year cost: \$ 25.1 billion.

\$ 10,000 Tax deduction: Families could deduct college tuition fees up to \$ 10,000 annually. The deduction, subtracted from taxable income, would benefit families who itemize on their tax returns. Taxpayers could take either the tax credit or tax deduction, but not both in the same year. However, they could opt for the tax credit in the first two years and switch to the tax deduction after that. The \$ 10,000 annual limit applies no matter how many students a family is putting through college. Six-year cost: \$ 17.8 billion.

Average student fees in California

University of California	\$ 4,139
California State University	\$ 1,584
Community college	\$ 390

Source: The White House

(To view complete chart please see microfilm)

LANGUAGE: ENGLISH

LOAD-DATE: June 6, 1996

Asbury Park Press, Asbury Park, NJ



Clinton outlines college tax credit plan at Princeton ceremony

□ Dole sets date for leaving Senate

By LAURENCE ARNOLD
STAFF WRITER

PRINCETON — Addressing college graduates who shelled out well over \$100,000 for four years of Ivy League schooling, President Clinton Tuesday expanded his election year plan to make higher education more affordable through tax incentives.

Princeton University's 249th commencement — a milestone in the year-long celebration of its 250th anniversary — gave Clinton a platform to discuss the importance of education, as well as a regal showcase for a visit to New Jersey on Primary Day.

Speaking to more than 10,000 people under arching trees on the Princeton campus, Clinton proposed a new tax incentive designed to make two years of college education "as universal as high school."



His plan for what he labeled "America's HOPE Scholarships" would guarantee tax credits that would cover two years of tuition — up to \$1,500 a year — at a community college for any student who maintains at least a B average and stays away from drugs.

"We'll help create opportunity if you'll take responsibility," Clinton said, echoing a theme that has become central to his administration. "This is the basic bargain that has made us a great nation."

The proposal drew immediate criticism from Clinton's Republican challenger, Bob Dole, and from House Speaker Newt Gingrich. "In every election year, he's for tax cuts," Gingrich told a Washington news conference.

Another critic was New Jersey resident and former presidential candidate Steve Forbes, a 1970 Princeton graduate who attended the commencement. Forbes told reporters that Clinton's tax proposal is "fine in and of itself" but not large enough to truly give tax relief to middle class Americans.

As an official White House trip, Clinton's visit to Princeton was funded by the government. It was his fourth trip to New Jersey this year.

The visit was steeped in history.

The commencement ceremony took place on a shaded quadrangle in front of the ivy-framed brick facade of Nassau Hall, which served as a capitol of the United States in 1783. Clinton became the 18th American president to receive an honorary degree from the prestigious university, but the first to do so while in office.

As university president Harold T. Shapiro bestowed Clinton with an honorary doctorate of laws, university orator Robert H. Rawson called him "eloquent and thoughtful, famously empathetic, indefatigable and resilient ... master of both politics and policy."

Returning the praise, Clinton noted that several of his key staff members, including press secretary Mike McCurry and national security adviser Anthony Lake, graduated from Princeton.

Repeating a theme he has used in New Jersey and elsewhere this year, Clinton said society stands "at the dawn of a profoundly new era," an "age of possibility" in which the world will function as one unit connected by technology and information.

The president told the 1,773 students graduating with bachelor's or advanced degrees that for them, this will be "an age of high probability" because of their educational background.

"But we know that not all Americans see the future that way," Clinton continued.

"We know that about half of our people in this increasingly global economy are working harder and harder without making any more money, that about half of the people who lose their jobs today don't ever find another (equivalent) job," he said.

The new scholarships that Clinton proposed would take the form of a refundable tax credit of up to \$1,500, or \$750 for part-time enrollment. The \$1,500 figure is \$300 more than the national average community college tuition, meaning that in most states, the credit would make community college free to any student.

But New Jersey is one of 17 states in which the average tuition at public two-year colleges exceeds \$1,500. According to the U.S. Department of Education, the average community college student in New Jersey paid \$1,762 in the 1994-95 school year. Clinton Tuesday challenged states to bring their tuitions down to \$1,500.

A family could claim the \$1,500 credit for tuition at a two-year or four-year college. But many families looking to finance a four-year education -- especially at a private university such as Princeton -- would fare better by instead taking advantage of another Clinton proposal, one that has stalled in Congress, for a \$10,000-a-year income tax deduction for college tuition.

Wary of criticism that his election-year proposals threaten balanced budget efforts, Clinton spelled out three measures to pay for the estimated \$7.9 billion cost of the new scholarship program over the next six years.

They include reinstating a lapsed \$6 departure fee for international air travelers and boosting it to \$16 a passenger; selling frequencies on the radio spectrum; and narrowing a tax loophole that allows multinational corporations to limit the taxes they pay.

The scholarship program is based upon, and named after, a scholarship fund created in 1993 by Georgia Gov. Zell Miller, a close Clinton friend who joined the president in Princeton Tuesday.

The Georgia HOPE program (which stands for Helping Outstanding Pupils Educationally), funded by revenue from the state lottery, provides full tuition, fees and books at any in-state public college to students who maintain a B average.

Some 191,300 students have benefited from the program since its inception in September, 1993.

"Georgia's success shows this can be done," Miller, a Democrat, told reporters after the commencement. "There was very little partisan politics in this. I got a lot of Republican support."

Students at Brookdale Community College in Middletown Township welcomed the proposal, but some also were cautious.

Eugene Liebmann, a business management student from Somerville, questioned why the tax credits are linked to grades. That may hurt the students who take more difficult courses, he said.

"I'm not sure it's the way to go," Liebmann said. "(Some students) try and try and all they get is a C ... Why can't they get that tax break, too?"

But for Maura Grady, a part-time student from Manalapan, such a proposal could have expedited her education. Because of finances, it took her 10 years to earn her bachelor's degree and five years for her master's, she said.

Some Princeton graduates and their parents said they welcome any effort to help pay the rising cost of a college education. At Princeton this year, tuition and fees reached \$20,900, and total cost including room, board and books topped \$29,000.

"I hope the tax credit comes through by the time our other child goes to college," said Dastoor Marguerite of Pasadena, Calif., who watched her oldest daughter, Shiraz, graduate Tuesday with a degree in comparative literature.

Mrs. Marguerite said she and her husband found minimal help in financing their daughter's Princeton education, which cost at least \$120,000 over four years.

"All the merit scholarships are gone," she said. "It's all based on financial need now. And in California if you own a house, like we do, you don't qualify."

Staff writer Christine Federico and The Associated Press contributed to this story.



Clinton touts \$3,000 in tuition breaks at \$120,000 Princeton

□ Presidential push for higher education

By **MARTHA MCKAY**
STAFF WRITER

Too late, just too late.

That was Dennis Schmidt's response Tuesday when President Clinton proposed to give college-bound students, or their parents, a \$1,500 tax credit to cover two years of college tuition.

Schmidt had reason to lament: The Vermont engineer had just watched his daughter Lauren receive her Princeton University diploma.

Price tag? About \$120,000 for the four-year Ivy League degree, and the Schmidts are deep in debt.

Despite the exorbitant cost of a Princeton sheepskin, Clinton used the ivy-covered venue Tuesday to announce a plan that's likely to have greater impact on community college students.

In a graduation ceremony marked by pomp and tradition, Clinton received an honorary law degree and delivered the school's 249th commencement address in which he outlined the tax credit plan, dubbed America's Hope Scholarships.

Clinton said his plan would make "14 years of education the standard for every American" by guaranteeing a \$1,500 tax credit for anyone who wants to go to college.

The tax credit would cover the tuition for one year at most community colleges. Clinton challenged states where the cost exceeds that amount, including New Jersey, to pick up the difference.

Under the president's proposal, based on a similar plan already in place in Georgia, money would be available for a total of two years; the first year would be an automatic \$1,500 credit and the second year would be available provided a student maintained a B average.

Reaction to the president — and his message — was mixed among the hundreds of graduates and parents who milled around after the ceremony, snapping pictures and searching for relatives.

Some graduates were pleased Clinton came to speak and felt he was inspiring, but others felt politics edged into an event where it didn't belong.

And some graduates seemed content at simply seeing the president in person.

"He looked stately, and that hair — I think he got elected because of his hair," joked Lisa Neely, a Landsdale, Pa., resident who received her master's degree in architecture Tuesday.

A handful of abortion foes tried, but largely failed, to disrupt the ceremony by yelling outside the walls. They included a 1990 Princeton graduate, Franco Pagnanelli, who said he came to protest Clinton's pro-choice stand.

For the most part, the graduates paid careful attention to the president's proposals.

Raymond Gonzalez, 22, of Hazlet, who is on his way to teach English in Mexico, hailed the tuition-credit plan but questioned whether it would be effective at the local level.

Another student worried that linking a B average to a tax credit might lead to problems such as students trying to bribe teachers for that all-important grade.

Matthew Loncar, a 22-year-old from Cedar Grove, said he enjoyed the speech and felt Clinton was "genuine and sincere."

But when the president said that two more years of higher education for all will bring about a stronger country, Loncar said he felt the government needs to direct its attention to younger children and family values before it addresses higher education.

"Education begins at home, and if you're not getting the basics at home, any teaching is going to be impossible," said Loncar.

Ronald Kim, 20, of East Brunswick felt the plan to give tax credits for college was "a workable one."

As did others in the audience, Kim wondered why Clinton chose Princeton to announce a plan that would target students at less expensive schools.

"He's talking here to what I would say are future leaders, and future leaders need to be reminded we have to look after everyone else," said Kim.

Others pointed out that the majority of students at Princeton receive some kind of financial aid.

There were students who took a dim view of the president's visit.

One woman, Janna Andrews, 21, of Rochester, N.Y., said, "It sounded good; it all sounded good, but he wasn't talking to me, it wasn't relevant to me."

Matthew Hansen said he supported the president's proposals but was disappointed when, toward the end of his speech, it seemed to turn political.

It was not unexpected, said Hansen, a political science major. But, he added, it would have been nicer if the president had spoken more directly to the graduating class. Clinton's presence, he said, "marred the event."

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Clinton tax plans push higher education

By JEFF SCHLEGEL
STAFF WRITER

President Clinton's HOPE Scholarship plan, unveiled during his Princeton University commencement speech Tuesday, is an extension of his overall education tax-break proposal to make higher education more affordable.

The proposal, a \$1,500 tax credit for families earning up to \$100,000, is designed to encourage people to get at least two years of college. Clinton's thesis is straightforward: More than ever, income potential is tied to one's education level.

"The (U.S.) Census Bureau estimated that for a high school graduate, the average lifetime income is about \$800,000," Gene Sperling, the president's deputy assistant for economic policy, said at a press briefing. "For someone who goes on and gets some college, it's upwards of \$1 million. For a college graduate, it's even more than that."

The tax credit complements Clinton's proposed \$10,000-a-year income-tax deduction for college education and certified training and technical programs, a plan that currently is mired in Congress. The projected tab for the combined programs would be \$42.9 billion, of which \$7.9 billion was raised from other areas to keep the plans within balanced-budget confines.

The HOPE -- Helping Outstanding Pupils Educationally -- program offers all students a \$1,500 taxable refund for full-time tuition and \$750 for part-time course work in the first year. To remain eligible for the credit during their second year, students must earn at least a B average during their first year and stay drug free. A student would be ineligible if he or she is convicted of committing certain felonies involving controlled substances or dangerous drugs.

"The \$1,500 is applied toward any school you go your first two years," Sperling said. "Somebody at Princeton could apply; so could somebody at a community college."

In general, the tax credit is aimed at low-income people, while the tax deduction is more for higher-income people with children at more expensive universities. The \$1,500 tax credit in effect would serve as a down payment for people going to more expensive four-year colleges.

The \$1,500 is \$300 more than the average community college nationwide costs per year. The average community college in New Jersey costs \$1,762 a year, meaning the tax credit would cover 85 percent of tuition and fees.

"Our hope is that as we publicize the state-by-state charts and people see that the average cost is \$1,200, there might be certain public pressure the other way on citizens to ask why a community college in their state is so much above the national norm," Sperling said.

But don't expect schools to bring down their costs to meet the proposed \$1,500 credit.

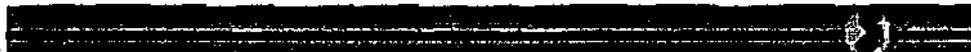
"We do all we can to keep prices down, at least parallel to inflation," said John Bakum, president of Middlesex County College, Edison. Tuition and fees for full-time students at the school are roughly \$1,600 to \$1,700, and costs will rise 3.9 percent in the next academic year.

The Clinton administration said the HOPE program would be indexed to inflation each year to protect its value.

Bakum said the program could be worth a try. "I need to see more details, but it sounds like a step in the right direction."

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Clinton Calls for Increased Investment in Education At Princeton University's 249th Commencement

Saying that "America knows that higher education is the key to the growth we need to lift our country," President Bill Clinton outlined a plan for making 14 years of education the standard for every American when he spoke at Princeton University's 249th Commencement exercises on Tuesday.

Addressing his remarks to the graduating class of 1996, Mr. Clinton called for giving a tax deduction to help families pay for higher education as well as a tax credit for individuals to guarantee their first year of college and to pay for the second year if they earn a B average in the first.

In a speech that mixed economic themes with calls for educational opportunities for all, he told the audience of upwards of 10,000 people seated in front of Nassau Hall that "today, more than ever before in the history of the United States, education is the fault line, the great Continental Divide between those who will prosper and those who will not in the new economy."

He told the graduates, "Your America will be stronger if all Americans have at least two years of higher education." He suggested that the scholarship he was proposing be known as America's HOPE Scholarship, modeled after a similar program in the state of Georgia, and said it would be paid for by budgeted savings in the balanced budget plan.

Mr. Clinton was applauded at several points during his talk, including when he told the graduates "the greatest challenge of your age will be to prove that we can bring prosperity and opportunity to people all across the globe without destroying the environment." He asked them "never be satisfied with an age of probability for only the sons and daughters of Princeton. You could go your own way in a society, that, after all, seems so often to be coming apart instead of coming together. But you should not walk away from our common purpose."

He defined this as "preserving the quality of our democracy, the dignity of every person standing as an equal citizen before the law, the ability of our country to prove that no matter how diverse we get, we can still come together in shared community values to make each of our lives and our family's lives stronger and richer and better. This is not about money."

Mr. Clinton's speech, which lasted exactly 31 minutes, was the climax of Commencement ceremonies in which he was one of six recipients of honorary degrees. His was an honorary doctor of law. The citation, read by University Orator Robert M. Rawson, Class of 1966, noted that the President had been "named for Jefferson, raised after Roosevelt, touched by Kennedy, [and as our first baby boomer President was born not in privilege but in Hope —

Continued on Page 47



MAKING A FIT FOR HIGHER EDUCATION: Addressing graduates President Clinton outlined a plan for making 14 years of education the standard for all Americans.

and he has never lost that naive optimism or that vision of a better tomorrow." He described the President as "eloquent and thoughtful, famously empathetic, indefatigable and resilient, he is at once master of both politics and policy."

"Inquisitive, imaginative and unafraid of new ideas, he used his experience to refine his course of action, pressing ever forward, teaching our nation to do the same. In this, its 250th year, Princeton is privileged to honor a citizen who has given a lifetime of service in one-fifth that time."

The President entered the area in front of Nassau Hall where Commencement is traditionally held at the end of the academic procession, which began at 10:40 and continued to 11:15. According to Thomas Wright, Princeton University vice president and secretary, Mr. Clinton and the White House staff made it clear from the beginning they wanted to honor Princeton's Commencement traditions as much as possible, and they did not want the presence of the President to detract from the importance of the day for the parents and families of the graduates.

Walking alongside Princeton University President Harold T. Shapiro in front of Stanhope Hall and through the roped off procession area to the walk in front of Nassau Hall, President Clinton was greeted by a wave of applause with cheers and whistles that grew louder as stores of the audience became aware of his presence. After getting the platform on which trustees, deans, senior faculty and award recipients were seated, he waved to the audience before taking his seat to the right of the podium.

Many in the audience had been in their seats for nearly three hours, but no one seemed to mind. They read their newspapers and nibbled on bagels or Danish they brought with them. Coffee seemed to be available to those who knew where to find it. At one point the line to the portapottos tucked discreetly off to one side was said to be 25 minutes long.

The weather was an inevitable topic of conversation. The three days of Runions had brought three perfect June days — sunny and warm, with blue skies, a gentle breeze and no humidity. Then on Monday, when the Class Day exercises were held for the Class of 1996 outdoors on Cannon Green behind Nassau Hall, it poured. Although there were some set up, many of the parents and friends of the graduating class sat huddled in the orange ponchos that had been ordered in case it rained on Commencement. Many brought those ponchos or their own raincoats to Commencement, not quite trusting the weather forecast, which called for gradually increasing sunshine with a possibility of transients later in the day.

Photographers, both local and national, were given a prime location on wooden ground level platforms on either side of the walk leading to Nassau Hall. Next came the candidates for advanced degrees, seated on wooden folding chairs, with the Ph.D. candidates clustered in front. To one side were special guests, including Gov. Zell Miller of Georgia, Leon Panetta, the President's chief of staff, and Molly Ralser, the chief of protocol. Mrs. Shapiro was seated on the other side with Mrs. William Bowen and Mrs. Robert F. Coburn.

The candidates for undergraduate degrees, all 1107 of them, were seated in row after row of folding wooden chairs in the middle section behind the advanced degree recipients. To the back and to the side in metal folding chairs and in bleachers were parents and friends. Each graduate was allowed five tickets for guests. There seemed to be not an inch of space for one more person.

Musical by Princeton's a cappella and choral groups played through the loudspeaker system helped pass the time. At 10, the Concerto Soloro of Philadelphia, conducted by Michael Fran, conductor of the Princeton University Orchestra, began to play.

But even without the music, it was entertaining to watch the last minute arrangements being carried out, and to speculate just where the President would enter. At one point, the University arboretist and his crew brought in potted plants to place in front of the podium. Immediately there was an outcry from the photographers that the plants were too tall and would interfere with the sight lines in their viewfinders. Without warning a single protest, the arboretist's crew chopped off the tops of each one.

John V. Fleming, Fairchild Professor of Comparative Literature and the chief marshal for University Commencements, returned at least three times to check on the seating on the platform. Later he said that the thing that had made his job difficult were the last minute changes, each one "cataclysmic," as he put it.

At last one could see that the academic procession was beginning to move in front of Stanhope Hall. The crowd rose, many standing on tiptoe to try to catch a better glimpse. When everyone was in place, and Mr. Clinton had acknowledged the cheers of the crowd, it was Prof. Fleming who stepped to the podium to "announce" the President of the United States, William Jefferson Clinton, and to "present" the President of Princeton University, Harold T. Shapiro, who would preside at Princeton's 249th Commencement.

Afterwards, President Clinton was escorted to Prospect House and a reception for invited guests. There he thanked everyone for the warm hospitality and said he would give his daughter Chelsea "a full review" on Princeton University.

President Shapiro gave the President some gifts to take home: a medallion of Nassau Hall created for the 150th Anniversary, a Presidential T-shirt with Nassau Hall and the three buildings named for Presidents who had attended Princeton — Madison Hall, Wilson College and Cleveland Tower — a crystal paperweight, and Princeton sweat-shirts for Hillary and Chelsea.

The President moved among the guests, shaking hands and posing for pictures before departing at 1:30.

It was an extraordinary occasion, beautifully organized and orchestrated, a commencement that the Class of 1996 will remember all their lives. One wonders, however, how Princeton can top this, how it will celebrate its 250th Commencement a year from now.

—Barbara L. Johnson

PRINCETON
TOWN TOPICS
6/3/96

Clinton follows LBJ, 30 years later

By JIM GOODMAN
Staff Writer

PRINCETON BOROUGH — Thirty years ago, President Lyndon Johnson came to Princeton University to defend the Vietnam War, the military conflict that eventually undercut the domestic programs he hoped would change the face of America.

Yesterday, President Bill Clinton came to the same university to try to put new life into a domestic agenda that has been crippled for two years by a conservative Republican Congress and could be reduced to the ash-heap of history by the November election.

The three decades that have elapsed between appearances of a sitting president on the campus of this 250-year-old Ivy League college encompass a revolution in American politics, from the birth of the radical left to the emergence of the radical right.

Though Clinton was only a sophomore at Georgetown University when Johnson spoke here May 6, 1968, there is a connection between the two events that helps tell the troubled stories of the 36th and the 42nd presidents of the United States.

Johnson was officially here to get an honorary degree and dedicate the Yamasaki building that houses Princeton University's Woodrow Wilson School of Public Affairs.

BUT HIS REAL purpose was to defend himself against the critics of the Vietnam War, led by U.S. Sen. William J. Fulbright, the Arkansas Democrat who was Clinton's political mentor and role model in Arkan-

ANALYSIS

sas politics. Clinton was an intern for Fulbright at a time when he, too, joined the anti-war movement. His efforts to avoid being drafted into the war have hung over his career ever since.

Johnson said America's role in the Vietnam War was justified because "our great power has been tempered by great restraint."

He asked a questioning, but not hostile, audience: "What nation has announced such limited objectives or such willingness to remove its military presence once those objectives are removed?"

The optimism that the war could be won by the South Vietnamese and that United States troops would come home reasonably soon was still alive when Johnson spoke. In the ensuing weeks, the tragedy of the war became clear.

For only the second time in the five years of supposedly limited warfare, more Americans were killed in action than their allies — 82 American soldiers and 61 South Vietnamese soldiers.

The war, which eventually claimed 80,000 American lives, was quickly becoming an American war that would destroy Johnson's presidency and lead to the re-emergence of the Republican Party under Richard Nixon's presidency.

IF JOHNSON had attempted to make the same speech a year later, he would have risked turning the Princeton campus into a massive anti-war protest, with many of the students and faculty who listened to

him politely turned into radical anti-war activists.

The audience that Johnson addressed was almost entirely white and mostly male. The only Vietnamese that most Americans had ever seen were featured nightly on the network news coverage of the Vietnam War.

The world and America has changed radically in 30 years.

The audience Clinton addressed yesterday was almost evenly split between men and women. There were significant numbers of American blacks. And most dramatically, there were students, faculty and parents of almost every racial hue, from Southeast Asia to South America.

Little mention of war was made by Clinton yesterday, except to praise the GI Bill of Rights that was created after World War II as a vehicle to get returning war veterans into college and eventually back into the work force.

Clinton asked yesterday that the commitment America made to the GI's after the big war be revived again. He said it could give birth to "an age of possibility."

The president said he has already asked Congress to enact a \$10,000 annual tax deduction to help parents pay for their children's college.

YESTERDAY, HE proposed making a two-year college education available to qualified students.

The plan would pay the cost of tuition at community colleges for the first year after high school. Similar tax credits would be available for students at four-year colleges for the freshman year and even for the second year if the student achieved a "B" average.

There was nothing truly dramatic in Clinton's proposals. His speech drew polite and respectful applause but no real outbursts of enthusiasm from the Princeton students, who pay more than \$28,000 a year for tuition, plus room and board.

The soon to be radicalized students who listened to Lyndon Johnson in 1968 are long gone. The students who listened to Clinton yesterday were, according to college officials, more interested in their careers than politics.

"Fifteen years ago, I could have told you exactly how the students felt on political issues," said one college official. "Now, I would say the students probably like Clinton but are not committed to him or other politicians."

But some adults did have strong opinions.

"He was just looking for votes," said Karen Laurens of Potomac, Md., the mother of two Princeton graduates this year and one next year. "It was not an honest speech. He's been dishonest his entire career."

Denise Knoller Berman, who has taught school for 25 years in Maryland at the junior high school level, was angered by Clinton's speech. She called it "hypocritical," arguing that money would be better spent on early school education than on community colleges.

"Community college tuition costs \$800," she asserted. "Anybody who wants to go to a community college can go. You give the schools money to (provide) 10 children a classroom and I'll show you what can be done. You give me 10 kids a classroom and I'll have every one of them passing algebra."

TRENTON TIMES
6/5/96

College credit pitch commences

Clinton addresses Princeton grads

By KATHY HENNESSY
Staff Writer

PRINCETON, BOROUGH — President Clinton came to Princeton University's commencement yesterday, not so much to praise the graduates as to bury Bob Dole.

In a speech that echoed the politics of the presidential race, Clinton proposed a \$1,500 tax credit he said would make two years of college available to everyone, regardless of income, "if you are willing to work hard and take a chance."

Clinton delivered the commencement address and received an honorary doctor of laws degree at the university's 249th graduation ceremony.

More than 10,000 people attended the ceremony on the lawn in front of Nassau Hall where 1,773 undergraduate and graduate degrees were awarded.

The president spent most of the day at the university, arriving from Washington, D.C., at the Trenton Mercer Airport about 6:30 a.m. and traveling in a black limousine with tinted windows through the borough, where the streets were lined with an estimated 1,500 onlookers.

He left Princeton for the airport about 7:45 p.m.

THE UNIVERSITY'S fears about rain were unfounded as sunny skies prevailed, and the elaborate security arrangements paid off as the day passed without incident. Borough Police Capt. Peter Hanley said there were no arrests made or criminal incidents reported yesterday.

At the commencement, Clinton outlined an educational program he said would make a college education "both accessible and affordable to all Americans" at any time in their lives.

Under Clinton's proposal, which is called America's HOPE Scholarships and is based on a similar plan in Georgia, two years of college would become "as universal as a high school education."

Clinton's program would provide a \$1,500 tax credit for a student's first year at a community college or university for families earning up to \$100,000 or single taxpayers earning up to \$70,000.

For the second year under Clinton's plan, a student would have to earn at least a B average to qualify for the \$1,500 tax credit.

The president's proposal builds on his earlier idea of a \$10,000-a-year tax deduction for college tuition and job training. That proposal has languished in Congress.

THE PLAN would allow families to choose the \$10,000 tuition tax deduction or the \$1,500 tuition tax credit.

A tax credit, unlike a deduction, ensures the taxpayer receives full credit for the amount.

The White House estimates the cost of the tax-credit program at \$6 billion over six years — in addition to the \$3 billion already in Clinton's budget for the tax-deduction proposal.

To offset the cost, Clinton would reinstate a lapsed \$6 departure fee for international air travelers and boost it by \$10 a passenger. He also would increase taxes on corporations by \$3.5 billion and earmark money for education from the auction of radio bands.

"This is about more than money," Clinton said. "This is about giving every single, solitary soul in this country a chance to be more fully alive."

Clinton's comments prompted an immediate rebuke from Republican presidential candidate Dole yesterday as he campaigned in Chester, Va.

"There he goes again," said Dole. "Who knows what taxes he'll increase if he should be re-elected?"

At Princeton yesterday, Clinton's participation in the commencement was the highlight of a yearlong celebration of the 250th anniversary of the university's founding.

CLINTON'S PARTICIPATION was particularly special because Princeton does not traditionally have an outside commencement speaker. The president of the university is usually the only nonstudent speaker to address the graduates.

Along with their excitement, the graduates yesterday also showed their sense of humor with a tradition that is part of every Princeton graduation.

In what is an "in" joke among students, the salutatorian, Charles P. Stowell, a classics major from Havre de Grace, Md., delivered his address in Latin and the graduates laughed and applauded at the appropriate times.

The students, who are supposed to impress their parents with their understanding of Latin, knew when to respond because they had special copies of the speech in English.

Stowell's speech razzed Clinton about his Yale roots — he is a graduate of Yale Law School — but the president laughed heartily on cue.

Later, he told the graduates, "I actually took four years of Latin in high school. And even without being prompted, I knew I was supposed to laugh when he was digging me about going to Yale."

In his address, Clinton said he was honored to help the university celebrate its 250th anniversary, but joked that only a handful of Democratic presidents have spoken at Princeton in the last century.

CLINTON WAS the first president to address a commencement while in office and the 18th to receive an honorary degree. Grover Cleveland spoke at a university convocation 100 years ago, and Harry Truman did so in 1947, in honor of the university's bicentennial.

"I understand that presidents are only invited to speak here once every 30 years," he joked. "You've got to say one thing for all the troubles the Democrats have had in the 20th century, we've had pretty good timing when it comes to Princeton over the past 100 years."

Clinton told the graduates several classmates of his must have connections to Princeton, as alumni or former teachers.

Mike McCurry, Clinton's press secretary, is a graduate of the Class of '78, the chair of the National Economic Council, Laura Tyson, is a former Princeton professor, noted Clinton.

Clinton also made reference to professor Woodrow Wilson's famous "Princeton in the Nation's Service" speech delivered in 1896 during the university's 150th anniversary.

In the speech, Wilson, who would later become the 28th president of the university and the 28th President of the United States, renewed the school's commitment to public service, a theme first coined by Princeton's founders.

All have dealt with ways to carry the nation's economic prosperity into the 21st century. The earlier speeches were at Pennsylvania State University and the U.S. Coast Guard Academy.

FOLLOWING the commencement, Clinton congratulated and posed for pictures with members of Princeton's men's lacrosse and women's rugby championship teams.

The president then attended a reception with honorary degree recipients and university trustees at Prospect House on campus.

Clinton left the campus yesterday at 2:45 p.m. in a 22-car motorcade to Trenton Mercer Airport for a return trip to Washington, D.C.

CLINTON, who said he read Wilson's speech before he arrived at the commencement ceremony yesterday, quoted part of it for the graduates.

"Today we must stand as those who would count their force for the future. Those who made Princeton are dead. Those who shall keep it and better it still live. They are even ourselves," read Clinton.

In addition to Clinton, honorary doctor of science degrees were also awarded to former Princeton professor and scientific researcher Robert McCredie May and George A. Miller, a Princeton psychology professor emeritus.

Ruth J. Simmons, the vice provost of Princeton from 1992 to 1995 who has been the president of Smith College for the past year, was given an honorary doctor of laws degree.

Artist Toshiko Takamizawa received an honorary doctor of fine arts degree, and LeRoy T. Walker, president of the U.S. Olympic Committee, also received an honorary doctor of laws.

Yesterday's speech was Clinton's third commencement address.

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