

"If every increased dollar in financial aid gets burned by an increased dollar in tuition... students, families and taxpayers will continue to fall behind."

Washington, DC - Rep. Peter Welch successfully amended a major higher education bill in the U.S. House today in an effort to reduce the skyrocketing tuition costs faced by students and families.

Welch amended the College Opportunity and Affordability Act, [H.R. 4137](#), with a requirement that colleges and universities annually report to the Department of Education on how much of their endowment was spent each year to contain college costs, including tuition, fees, textbooks, and room and board. This report will provide Congress with much-needed information about the efforts of colleges and universities to keep costs down for students and their families.

"College costs must be brought under control. Students who are fortunate enough to attend college are finding themselves buried in a mountain of debt before their first paycheck. If every increased dollar in financial aid gets burned by an increased dollar in tuition, students, families and taxpayers will continue to fall behind," said Welch.

Welch added, "The higher education community needs to provide aggressive and active leadership to contain students' costs."

The College Opportunity and Affordability Act builds on the College Cost Reduction and Access Act, the largest increase in student aid since the 1944 GI Bill, signed into law in September.

H.R. 4137 is expected to be voted on later today.

Before the vote, Welch sent the following letter to his colleagues in an effort to garner their support:

FIGHT FOR COLLEGE AFFORDABILITY!
COLLEGES AND UNIVERSITIES SHOULD REPORT ON
HOW THEIR ENDOWMENT SPENDING REDUCES COLLEGE COSTS
Support the Welch Amendment to H.R. 4137

Dear Colleague,

The costs of attending college are skyrocketing-putting in jeopardy the dream of a college education for many American families.

While we must continue this Congress' strong commitment to increasing student financial aid, we also have to get college costs under control. **If every increased dollar in financial aid gets burned by an increased dollar in tuition, students, families and taxpayers continue to fall behind.**

Last year alone, Congress passed the College Cost Reduction Act that provided for over \$17 billion in federal financial aid over five years. Over the last ten years, total federal student aid has increased from \$37.9 billion to \$86.3 billion. **But how much is this federal support helping our students if it is eaten up by increasing college costs?**

While Congress must do its part on college cost control, especially in the area of health care, colleges must do their part by taking a hard look at discretionary costs and available revenue that can be used to defray student costs.

My amendment is simple. **It requires colleges and universities to annually report to the Department of Education on how much of their endowment was spent each year for the purpose of containing college costs,** including tuition, fees, textbooks, meals, and room and board. This report will provide Congress with much-needed information about the efforts of colleges and universities to keep costs down for students.

According to recent College Board studies, college costs have risen at a staggering pace over the past several years:

- Tuition and fees at four-year **public** colleges increased an average of 31% - after inflation - over the last five years, with tuition growing at an even higher rate this school year than it did the previous year.
- Tuition has increased by 14% at **private** colleges.
- Median **student debt** for a bachelor's degree in the 2003-2004 school year was \$19,300.

At the same time, many colleges and universities have enjoyed substantial success in increasing their endowments.

- In 2005-06, the wealthiest 10 percent of **public** four-year colleges and universities had an estimated average of about \$40,000 in endowment per student.
- The wealthiest 10 percent of **private** four-year colleges and universities had an estimated average of about \$454,100 in endowments per student.
- Overall, **private** four-year colleges and universities had an average of about \$82,700 in endowment assets per student.
- Harvard University, for example, has an endowment of \$34 billion. Yale University has an endowment of \$22 billion. The growth alone in Harvard's endowment last year was \$5.7 billion-a sum bigger than all but 14 other universities' total endowment.

This amendment's reporting requirement is not overly burdensome. It simply requires colleges to report to the Secretary of Education, just as they regularly report to their trustees, on how they spend their tax-exempt endowment dollars on reducing college costs. With this amendment, Congress will have access to important information as it seeks to address the skyrocketing cost of a college education.

Please support this amendment. If you have any questions, please contact Constance Dougherty (constance.dougherty@mail.house.gov) or Phil Putter (phil.putter@mail.house.gov) of my staff.

Sincerely,

PETER WELCH
Member of Congress