

**Senate Education Committee
Hearing on SB 420
Middle Income Student Debt Reduction Act
Testimony of William Burke
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May 15, 2013**

Good morning. I am pleased to be here to speak with you about SB 420, the Middle Income Student Debt Reduction Act. I am here on behalf of The University of Scranton students and other students who might be eligible for the Middle Income Student Debt Reduction Act. I am the financial aid director for the University, serving in that capacity for the past twenty-three years of my thirty-two years as a college financial aid professional. I am a past president of the Pennsylvania Association of Financial Aid Administrators and a past member of the College Scholarship Service National Committee on Financial Aid. At the University of Scranton I work closely with students and their parents on the increasingly difficult task of financing of a college education.

I welcome this opportunity to join the ongoing conversation on college debt reduction because we as a Commonwealth and as a nation need to determine how we can best address this very complex issue. Let me tell you a little about the University of Scranton. The University of Scranton was founded as St. Thomas College in 1888 to serve the educational needs of Northeastern Pennsylvania residents. Today, while we attract approximately 4,000 undergraduate students from a broader region, approximately half of our traditional full time undergraduates are residents of Pennsylvania, primarily from Northeastern and Southeastern Pennsylvania. For many of our area students, public higher education is not as accessible for them to pursue the variety of four year educational programs we offer, such as our pre-medical sciences program, nursing, occupational therapy, accounting and education and counseling programs, to name a few. Many of our Pennsylvania students are first or second generation college students and our graduates continue to be leaders within our region of the state in careers as doctors, lawyers, allied health professionals, teachers, counselors and business professionals.

I think it very important for Commonwealth leaders to understand how Pennsylvania's 90+ private colleges serve students of every income level fight to keep our costs under control. With this bill you have an opportunity to reach out to working students and families who struggle to enroll and stay in college. Presently, approximately 750 Scranton students receive 2.5 million dollars in PHEAA State Grant assistance, but under the provisions of SB 420, another 75 to 100 students from middle income families could qualify for additional state assistance to help meet their educational costs. Almost all of these students come from families where both parents are working as educators, factory workers, operators of small businesses, and business and allied health professionals. Even with two parents earning incomes, these families are having difficulty meeting educational costs. For this academic year, our university provided 91% of these students with an average school award of \$16,000 yet 76% of these students borrowed an average of \$7,000 in federal student loans and 25% of their parents borrowed an average of \$21,000 to help meet their educational costs. Even more concerning is that 20% of these students borrowed an average of \$22,000 in private educational loans in addition to their federal student loans.

Let me give you a couple of examples of students from Scranton that could benefit from this legislation although these students could be enrolled at any college or university (public or private). Louis is a junior Computer Science major from Scranton, Pennsylvania who intends on pursuing a master's degree in Software Engineering at Scranton. He comes from a family of five and his two parents work and earn approximately \$90,000 to support one younger child and two children in college. Louis participates in our student employment program and earned over \$6,000 this school year to help his parents fund his education. While he received about \$17,000 in University of Scranton aid, he and his family struggled to make the balance of his tuition payments, and only last month finished up his payments for the current year. In a letter to his legislator in support of SB 420, he stated "It's been said countless times over the years, but education truly is vital to our country's success. With quality education becoming more expensive year after year, every bit of aid helps. For me, an additional PHEAA State Grant would free up more of my family's income and make paying my tuition more manageable. For some of my fellow students, an additional PHEAA State Grant may well determine whether or not they can afford to go to college at all."

April is a sophomore student from Albertville, Pennsylvania double majoring in Political Science and Philosophy. She and her family are immigrants to the United States and she is the first in her family to attend college. She too just misses qualifying for the PHEAA State Grant. In addition to working on our student employment program, she borrowed \$6,500 in student loans to help meet her college expenses. In her letter supporting SB 420 she stated, "It would be incredibly important and beneficial to receive a PHEAA State Grant because it would help my family to support me through my long academic track. Without grants such as this, my growth, both academically and personally, would be stunted tremendously because my family and I would suffer extraordinary financial hardship, risking the possibility for my continued enrollment in postsecondary education. Thank you so much for your support and effort on this bill."

These are just two examples of middle income families who would benefit from the enactment of SB 420. Thank you again for the opportunity to present this testimony and I sincerely hope that members of the Committee will move this bill forward in the legislative process. I will try to answer any questions that you might wish to ask.