

# Student loan expansion on ballot

**Proposition would add \$1.9 billion to program.**

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When voters go to the polls Nov. 8, they will decide on a constitutional amendment to allow the state to expand a long-running student loan program.

Approval of Proposition 3 would authorize the Texas Higher Education Coordinating Board to expand the state's bonding capacity to \$1.9 billion to continue the College Access Loan program, which provides low-interest loans to students at no cost to taxpayers.

It's not as sexy as a heated political race, but state officials say the amendment is necessary to keep the loan program alive. Voters last authorized a \$500 million bond in 2007.

Over its 40-year history, the program has lent \$2 billion to 340,000 students, many of them from middle-class families who did not qualify for need-based aid.

This year, the loans carry a fixed interest rate of 5.2 percent, which is comparable to federal loans. The bonds do not count toward the state debt limit because they are paid back by students.

"It is as strong a loan program as you can imagine for students, and it does not hurt taxpayers at all," said Raymund Paredes, Texas commissioner of higher education.

This year, the state lent \$91 million to 17,108 students. About half the money went to students at public schools and half to those at private institutions.

With a reduction in state grant aid this past legislative session, the loans will become even more important for families trying to close the gap between the cost of college and what they can pay out of pocket, said Fred Slabach, president of Texas Wesleyan University in Fort Worth.

Annual tuition and fees at Texas Wesleyan, a private Methodist university, run about \$18,700. Many students are first-generation college students and minorities, and more than 90 percent of entering freshmen are offered scholarships and grants.

"Many come with limited financial means to contribute," Slabach said. "If the program ran out of capital, significant numbers of our students simply would not be able to attend."

Read more: <http://www.mysanantonio.com/news/education/article/Student-loan-expansion-on-ballot-2203097.php#ixzz1Zuqw02JM>