



Gibbons Capitol Report  
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### **Keeping Loans Low while Investing in Missouri's Colleges and Students**

A plan has been crafted that provides new buildings and technological advancements for Missouri students, as well as provides them with competitive loan rates and debt forgiveness. It is my hope this new balance addresses many questions or concerns and gives Missouri students the best of both worlds.

It is my understanding the new plan to generate more money for higher education by selling a portion of the loans owned by the Missouri Higher Education Loan Authority, or MOHELA, will not increase student loan rates or take away from borrower benefits, and that any potential buyers must agree to maintain the unique benefits MOHELA provides to students.

#### **The Goal**

The Governor had a goal: he wanted to find money to improve higher education and develop a 21<sup>st</sup> century workforce in this state. He proposed the sale of MOHELA, and unveiled a plan to use the money from the sale to aid Missouri's colleges and universities, through scholarships, endowed professorships and new buildings for research and advancement.

After my fellow lawmakers, educators and Missourians had an opportunity to give input on the Governor's original goal to sell MOHELA, one common theme emerged: the desire for Missouri students to have world-class research facilities, the best possible professors, and ample scholarship opportunities, *while* maintaining student availability to competitive loan rates and debt forgiveness through MOHELA.

#### **The Partnership**

We have found a compromise in this public-private partnership, and now all Missourians can benefit from the new research and 21<sup>st</sup> century workforce this initiative will bring to our state.

The MOHELA board announced its decision to gradually sell approximately half of its student loans through competitive bidding over the next few years. The revised plan is designed to keep MOHELA intact across the system and allow for students to continue receiving competitive loan rates while generating millions of dollars for Missouri's

colleges and universities.

The governor announced Tuesday that selling some of MOHELA's \$5 billion in assets over the next three and a half years would yield approximately \$450 million for Missouri students.

The endowed professorships, business hubs and research this money could provide would create more jobs in Missouri. An approximate 4,880 new jobs will be created annually, paying an average wage of \$45,314. In addition, the compromise is estimated to generate an average of \$554.2 million in new economic activity each year.\*

### **My Goals and the Senate's Role**

Our role in the Missouri Senate is determining how to best spend that money for Missouri's college students. In the process of this decision, there are three things that I care about: What's best for the students, their parents, and the people of Missouri.

We should and will continue to have open debate and conversation on MOHELA and the way we invest this funding in our students' educations and futures. We are committed to finding the best solution for Missouri's students, parents and taxpayers.

\*Economic data provided by Missouri Economic Research and Information Center (MERIC).