

In 1944, President Franklin Roosevelt signed the GI Bill into law, launching the greatest government led initiative in our nation's history to invest in higher or continuing education. The original law enabled 7.8 million veterans of World War II to participate in education or job training programs and is credited for its redeeming impact on the post-war national economy and in building a sustained American middle-class. This week, the House voted to approve legislation that would make the single largest investment in college financial aid since the 1944 GI Bill, with \$204 million to help Maryland students and families pay for college – and doing so at no new cost to U.S. taxpayers. The legislation, the College Cost Reduction Act of 2007 (H.R. 2669), would boost college aid nationwide by about \$18 billion over the next five years and pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry by \$19 billion.

Furthermore, it includes at least \$750 million in federal budget deficit reduction, another key priority for this Congress which has made fiscal responsibility a guiding principle after years of reckless spending by previous Congresses.

A few months ago, Bill Gates – the chairman

and co-founder of the Microsoft Corporation and one of our nation's great innovators – wrote in the Washington Post: 'If we are to remain competitive, we need a workforce that consists of the world's brightest minds.' Mr. Gates added: 'Education has always been the gateway to a better life in this country.'

Mr. Gates is absolutely correct. Education is vital not only to personal development, fulfillment and success, but also to our national competitiveness, our continued prosperity, and our security. Nonetheless, the rising costs of college pose greater obstacles to

realizing the American dream.

The fact is, college tuition today is exploding. Tuition at four-year public colleges has grown by 35 percent in the last five years. The skyrocketing costs of college have left millions of students with crippling financial debt and prevented countless qualified students from realizing the opportunity of higher education.

To address this situation, the College Cost Reduction Act will

increase the Pell Grant by \$500 over the next four years, benefiting as many as 77,281 Maryland students who qualify for a Pell scholarship. When combined with other Pell scholarship increases passed or proposed by Congress this year, the maximum Pell Grant would reach \$4,900 in 2008 and \$5,200 in 2011, up from \$4,050 in 2006, thus restoring the Pell's purchasing power. About 6 million low- and moderate- income students nationwide would benefit from this increase.

Like legislation passed by the House earlier this year, the College Cost Reduction Act would cut interest rates in half on subsidized student loans over the next five years

- from 6.8 percent to 3.4 percent -  
reducing the cost of those loans for  
millions of student borrowers. Once  
fully phased-in, this would save the  
typical Maryland student borrower –  
with  
\$14,096  
in need-based student loan debt –  
\$4,510 over the life of the loan. About  
6.8 million students, including 48,500  
Maryland students, take out  
need-based student loans each year.

The legislation would also prevent  
student borrowers from facing

unmanageable levels of federal student debt by guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers in economic hardship to have their loans forgiven after 20 years.

In addition, this bill seeks to ensure highly qualified teachers in every classroom by providing up-front tuition assistance to qualified students who commit to teaching in public schools in high-poverty communities or high-need areas. It encourages and rewards public service – by providing loan forgiveness for first responders, law enforcement officers, firefighters, nurses and others.

And, it encourages landmark new investments – \$500 million guaranteed over five years – for historically black colleges and universities, Hispanic-serving institutions, and tribally-controlled, native or predominantly black institutions.

Simply stated, the College Cost Reduction Act

will make a college education more affordable for millions of students. This landmark legislation is a tremendous step toward achieving the goal of making college affordable for every qualified student and represents an historic investment in our people, our economic competitiveness, and the future of our nation at no extra taxpayer expense.