

Congress of the United States
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... As Seen on 60 Minutes

Cosponsor H.R. 1425, the 'STAR Act,' to Make College More Affordable.

Dear Colleague:

You may have seen the '60 Minutes' piece this weekend, in which I was pleased to participate, regarding inefficiencies in our federal student loan programs. I took part in this story because I believe the wasteful subsidies and inefficiencies that currently exist in this system are a serious concern. It is imperative that Congress, and the public, better understand the structural flaws of the program and consider reforms to strengthen it.

The story aired Sunday night and provides an excellent introduction to the nature of the problems with our student loan system. I would encourage you to watch a portion of the segment (*streaming video provided on right side of the website*) or read the full transcript posted on the "60 Minutes" website at:

<http://www.cbsnews.com/stories/2006/05/05/60minutes/main1591583.shtml>

I have long believed students and taxpayers deserve better. Congressman George Miller and I have introduced H.R. 1425, the *Student Aid Reward (STAR) Act*, to encourage colleges to participate in the most cost-effective student loan program - and reward them for doing so by returning some of the savings to students in the form of additional Pell Grant aid.

The STAR program would be completely voluntary for schools and budget-neutral. Most importantly, this proposal would save billions for taxpayers by encouraging greater competition between the student loan programs.

- The Congressional Budget Office confirmed that the STAR Act would save taxpayers \$13.4 billion in wasteful spending over the next 10 years.
- The STAR Act, in turn, would return over \$10 billion of those savings to the schools in the form of Pell Grants for low- and middle-income students.
- This would increase Pell Grants by as much as an additional \$1,000 per recipient, per year - and not cost taxpayers a single penny more.
- Taxpayers are not only getting more for their money, they are also saving. One quarter of the savings, \$3.35 billion, would be devoted toward deficit reduction.

Currently 49 of our colleagues have joined us by cosponsoring this bipartisan legislation. I would encourage you to join us in standing up for increased student aid and deficit reduction - at no additional taxpayer expense. For more information or to cosponsor, please contact Tom Culligan in my office at 5-2476.

Sincerely,

THOMAS E. PETRI
Member of Congress