

I believe that as a nation, we must restore our public commitment to providing an affordable, quality higher education to every student. This is not only a moral issue, but an economic imperative. In a highly competitive global economy we need the best educated workforce possible. Yet, because of the high cost of higher education, many bright young people can no longer afford to go to college and millions of others are leaving school saddled with horrendous levels of debt. We need to significantly lower the cost of higher education, and reduce the interest rates that many Americans are paying on their student loans.

College costs are rising for a number of reasons:

- The most significant factor in the increase in education costs at public colleges and universities is declining state-level appropriations.
- Higher education is very labor intensive, and increasing healthcare premiums have made college more expensive.
- Many colleges and universities, including public colleges, have spent massive amounts of money on flashy new buildings, and increasing administration costs.

Calculating the decline in State-level support for college education:

- In 1988, public colleges and universities received the vast majority of their funding from state governments. Tuition payments from students and their families made up roughly 23.8% of public university educational revenues. The rest – more than 75%, was provided with State money.
- By 2013, public colleges and universities received 48% of their revenues from tuition payments – a figure that more than doubled in just 25 years. In my view, this massive increase in the cost

burden faced by students and their families represents a radical shift in our nation's priorities.

- In fact, according to a separate analysis by the Government Accountability Office, for the first time ever, public colleges and universities now receive more revenue from tuition than they do from state governments.

This wasn't always the case. Only a few decades ago, this country made a promise to my generation that if you worked hard, and you studied hard, and you wanted to pursue a college degree, you could do so at little or no cost.

- Until the 1970's the City University of New York was completely free – and it was one of the best university systems in the entire country.
- The University of California System did not begin charging tuition until the 1980's.
- In 1965, the average tuition cost at a four-year public university was \$243.
- And this investment in higher education worked – the United States led the world in the number of college graduates — forming the core of the greatest middle class in economic history.

All we have to do is look to our neighbor to the north. In Canada, students can attend some of the best universities in the country for a fraction of what American students pay.

- Students in Quebec can attend McGill University for \$2,273 per year.
- Tuition at the University of Toronto, the most elite institution of higher education in Canada, is as low as \$6,010 per year.

- And yet, according to the Organization on Economic Cooperation and Development, Canada is one of the most expensive countries for a student to go to school.

In many advanced countries, young people can pursue a higher education without having to worry about paying for tuition.

- In Germany, universities phased out tuition fees last year because that nation's political leaders believed that charging \$1300 a year discouraged young people from pursuing a higher education.
- Students do not pay any tuition in Austria, Denmark, Finland, Norway, Scotland and Sweden.

I believe we must restore public investments in higher education – and this is how I would do it.

- In 2013, American students and their families paid \$65 billion in tuition and fees to public colleges and universities.
- If the federal government were to invest \$18 billion a year, with a dollar-for-dollar match from state governments, we would slash college tuition in the United States by more than half.

Many of my colleagues in Washington would look at that number - \$18 billion a year – and tell you that we can't afford to make that kind of investment in our nation's young people. To put it simply, they are wrong.

In the budget proposal President Obama released two weeks ago, he requested \$561 billion for the Department of Defense - \$38 billion over budget caps that are currently in place.

If we were to reduce the President's proposed increase in military spending by less than half, and instead invest that money in educational

opportunities for today's college students, we could cut tuition by 55%. So I challenge all of you... ask yourselves, where should our priorities lie?

Student Debt:

As many of you know, student debt in this country has tripled in the last ten years – rising from \$400 million in 2004 to \$1.2 billion in 2014.

This is an especially important problem in Iowa – on average, Iowans will graduate this year with \$29,898 in student loans.

The high level of student loan debt is causing irreparable harm to families across the United States, and the economy as a whole.

- The burden of student loan debt is making it much harder for young people to get mortgages and buy homes.
- Home ownership rates for young adults are among the lowest in decades
- Young people are putting off marriage and having children partly because of the burden of student debt.
- In fact, the Federal Reserve and the Department of the Treasury have both issued warnings that high levels of student loan debt could drive down consumer demand, having significant impacts on economic growth.

In my view, the most revolting aspect of the student loan crisis is that every year, the federal government makes billions of dollars in profits off of student loans - \$127 billion over ten years, according to the Congressional Budget Office.

We must end the practice of the government making billions in profits from student loans taken out by low and moderate income families.

That is extremely regressive public policy. It also makes no sense that students and their parents are forced to pay interest rates for higher education loans that are much higher than they pay for car loans or housing mortgages.

We must restructure our student loan programs to take the profits out of our system, and return them to borrowers in the form of loan forgiveness and lower interest rates.

- Today, many borrowers have interest rates that are as high as 6.8% or 7.9% - at a time when interest rates on mortgages and car loans are at record lows.
- It is totally absurd that you can go out right now and get a lower interest rate on a car loan than you would pay on a student loan.
- Today's borrowers should be able to refinance their student loans at much lower interest rates. This will allow millions of people to pay off their debt sooner, and have more money to buy a car, buy a house, or invest in their own children's future education.

The only way to solve the college affordability crisis in the United States is to renew our society's commitment to investing in educational opportunities for our young people. As a nation, we must shift our priorities to ensure every student, regardless of their family's economic situation, can get a college education without being forced to take on a crushing debt that will follow them for years and years.

We need a revolution in the way higher education is funded. In the United States, all people who have the desire and the ability should be able to receive all the education they need regardless of their income. This must be done if we are going to rebuild the disappearing middle class and create an economy of good-paying jobs