

Statement by Senator Bernard Sanders on the College for All Act

We have a crisis in higher education today. Too many of our young people cannot afford a college education and those who are leaving college are faced with crushing debt.

It is a national disgrace that hundreds of thousands of young Americans today do not go to college, not because they are unqualified, but because they cannot afford it. This is absolutely counter-productive to our efforts to create a strong competitive economy and a vibrant middle class. This disgrace has got to end.

In a global economy, when our young people are competing with workers from around the world, we have got to have the best educated workforce possible. And, that means that we have got to make college affordable. We have got to make sure that every qualified American in this country who wants to go to college can go to college -- regardless of income.

Further, it is unacceptable that 40 million Americans are drowning in more than \$1.2 trillion in student loan debt.

It is unacceptable that millions of college graduates cannot afford to buy their first home or their first new car because of the high interest rates they are paying on student debt.

It is unacceptable that, in many instances, interest rates on student loans are two to three times higher than on auto loans.

Let's be clear: other nations around the world understand the benefits of having an educated workforce that isn't burdened with enormous student debt. Other countries recognize that allowing all qualified students, regardless of income, to achieve a higher education is an investment in the economic prosperity of their people.

For example:

- Last year, tuition was eliminated in Germany because policymakers believed that charging \$1,300 per year was discouraging students from attending college. \$1,300 per year, and that tuition was eliminated.
- In Denmark, not only is college free of tuition and fees, people who go to college in that country actually get paid to go to college.
- In Finland, Norway and Sweden, tuition and fees are free not only for their citizens, but in many cases, foreign students as well.

- And, Chile, which has the highest level of income inequality in Latin America, will implement free college tuition next year, and pay for it by increasing taxes on corporations.

But, it's not just other countries around the world that are doing the right thing. There was a time, not so many years ago, when we in the United States understood the importance of making college available to all qualified students, regardless of income.

A generation ago, our nation's public colleges and universities were the pathways for all students, no matter their family background, to enter the middle class.

For example, the University of California system, considered by many to be the crown jewel of public higher education in this country, did not begin charging tuition until the 1980s.

In 1965, average tuition at a four-year public university was just \$243, and many of the best colleges — such as the City University of New York -- did not charge any tuition.

And this investment in higher education worked – the United States once led the world in the percentage of young Americans with college degrees. Sadly, today, we are in 12th place.

It is time for a fundamental change in how we approach the financing of higher education, and the legislation I will introduce today will do just that.

The College for All Act will provide free tuition at every public college and university in this country.

This means that ANY student, regardless of his or her background or income, who has the ability and desire, will be able to get the education they need and the education they deserve. This legislation opens the door for a middle class life to millions of young Americans and will make our economy stronger and more productive.

This legislation will establish a partnership with states by developing a matching grant program which would provide \$2 in federal funding for every dollar that states spend on making tuition free higher education in public colleges and universities.

This legislation would also expand the federal work study program.

This legislation not only addresses the crisis of college affordability, but it also deals with another issue of huge consequence for millions of families in this country. And, that is the incredibly oppressive burden of crushing student loan debt.

This legislation will allow every American with student debt to refinance their loans, so that borrowers will always be able to take advantage of favorable interest rates. It makes no sense to me that Americans can refinance their homes when interest rates are low, and that somebody can purchase a car at two percent interest rates, but millions of college graduates are stuck with interest rates of 5, 6, 7 percent

sometimes for decades. That makes no sense. That is grossly unfair. This bill would cut student loan interest rates in half and lower the rate to about 2 percent for undergraduates.

In addition, this legislation would eliminate the obscene profit that the federal government makes through the student loan program – some \$89 billion over a ten year period. The federal government should not be profiting off of student loans provided to low and moderate income families.

The truth is that providing free tuition at public colleges and universities, and reducing the burden of student debt in this country is an expensive proposition. So how are we going to pay for it?

How are we going to pay for this estimated \$750 billion over the next ten years?

And, here's the answer. At a time of massive income and wealth inequality, at a time when trillions of dollars in wealth have left the pockets of the middle class and have gone to the top one-tenth of one percent, at a time when the wealthiest people in this country have made huge amounts of money from risky derivative transactions and the soaring value of the stock market, this legislation would impose a Wall Street speculation fee on Wall Street investment houses and hedge funds.

More than 1,000 economists have endorsed a tax on Wall Street speculation and today some 40 countries throughout the world have imposed a financial transactions tax including Britain, Germany, France, Switzerland, China, India, South Korea, Hong Kong, Singapore, Taiwan, and Brazil.

My legislation would impose a Wall Street speculation fee of 0.5 percent on stock trades (that's 50 cents for every \$100 worth of stock), a 0.1 percent fee on bonds, and a 0.005 percent fee on derivatives.

It has been estimated that this legislation would raise up to \$300 billion a year.

We must revolutionize our nation's higher education system. We must invest in the young people today, because they are our nation's future doctors, teachers, engineers, scientists and senators – so they can ensure our economy and our nation as a whole have an edge in the 21st Century.