

The Honorable Donna F. Edwards
Statement Before House Rules Committee on
H.R. 1911, the Smarter Solutions for Students Act
May 22, 2013

Chairman Sessions, Ranking Member Slaughter, and Members of the Committee, thank you for the opportunity to testify before you today.

We know that attaining a college degree creates expanded opportunities for students and families across this country. Access to a quality, affordable college education is critical to our workforce demands and our global competitiveness. This comes at a time when the U.S. has dropped from 1st to 12th in the number of college graduates, college costs are increasing, and about two-thirds of graduates take out loans with an average debt of over \$26,000. In a 21st century global economy, it is critical that we provide our students with a quality education

with *affordable* student loan interest rates that enable young people to get good jobs, pay their debts, and build their lives.

This summer, we will again have to make a decision important to so many students, parents, and families to keep the student loan interest rate from doubling. The scheduled interest rate increase could cost \$1,000 more for 103,000 students in Maryland and more than 7 million students nationwide. Rather, than proposing legislation to stem the increase of the interest rate, the GOP has introduced H.R. 1911 which, according to the nonpartisan Congressional Research Service, would make college more expensive for students and parents than if Congress did nothing.

Under the proposed legislation, a student who borrows the maximum amount of subsidized and unsubsidized loans over 5 years (a total of \$31,000) would pay \$1,832 more in interest

over the life of these loans (or a 14.5% increase) based on projections by the Congressional Budget Office.

A parent or graduate student who borrows \$10,000 a year for 5 years under the parent PLUS program, would pay \$7,892 more in interest over the life of the loans (or a 28% increase) than under interest rates that would continue to be in effect after July 1, 2013 (7.9%).

For families across this country, the burden of thousands of additional dollars in debt is just not workable. That is why I propose my first amendment, which would reduce the caps for Stafford loans and PLUS loans in the underlying bill to 6.8 percent and 7.9 percent, respectively. In 2007, Congress recognized the burden of student loans and cut them in half. The high caps in the underlying bill are not the solution that parents and students across this country need.

My second amendment would further reduce the cap for Stafford loans for students pursuing degrees in the science, technology, engineering, and math (STEM) fields to 3.4 percent, the current rate. Employers across this country have a huge demand for these highly-skilled graduates. STEM openings outnumber unemployed individuals 2:1. From 2008 to 2018, STEM jobs are expected to grow 17 percent, compared to 9.8 percent growth in non-STEM occupations, according to the Department of Commerce. Further, starting salaries for STEM jobs are high, providing graduates a quicker path to repayment of their student loan. My amendment would help deal more equitably with the imbalance—this mismatch between the workforce needs and the degree with which students graduate. Indeed, my amendment is a market-based reward to correct the mismatch, satisfy the workforce needs, and generate the students

we need to fill these jobs. It would curtail the significant student loan debt that our nation faces today while enticing students to join a STEM workforce that will keep the United States competitive through the 21st Century global economy.

As a military child and one of six, my parents--like many across this country--could not afford to pay for all of my college education and graduate work. I and my parents put together the patchwork quilt of financing that many parents know so well—savings, scholarships, grants, loans, and work through my four years. I know, personally, how difficult and expensive the path to higher education, and ultimately, a better quality of life, is. My decision to attend Wake Forest University and later pursue my law degree came at a cost of \$100,000, roughly a quarter of that was interest and servicing fees! I had student loan debt that I only repaid one month before I was elected as a Member of

Congress. It was a long road with a career in the nonprofit sector, but I was thrilled and relieved when I made that final payment.

I ask this Committee to provide students the same opportunity to pursue the tenets of this country, “life, liberty, and happiness” and recognize the potential crisis our nation could face by not filling the jobs of the 21st century.

Our nation cannot afford to fall behind. I urge you to make my amendments in order.

Thank you, Mr. Chairman. I would be happy to answer any questions.