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**Something every good Republican should support...**

***H.R. 1425, the 'Student Aid Reward (STAR) Act,' to Make College Education More Affordable.***

Dear Republican Colleague:

# \$ 13.4 Billion in Savings

**This week, the Congressional Budget Office confirmed that the *Student Aid Reward (STAR) Amendment* would save taxpayers \$13.4 billion in wasteful spending over the next 10 years.**

I have long-believed that, as the fiscally-responsible party, Republicans have a fundamental obligation to our constituents to eliminate waste in government spending wherever it exists. H.R. 1425, the *Student Aid Reward (STAR) Act*, does just that, and it **reinvests those savings both into Pell Grant aid and towards reducing the deficit at no additional taxpayer expense.**

Earlier this week, I sought to offer a bipartisan amendment to H.R. 609 based on this bill. While the rule did not allow for its consideration, I would encourage you to seriously consider it now by cosponsoring the STAR Act.

H.R. 1425 would reward colleges and universities that choose to participate in the federal student loan program that is most cost-effective for taxpayers and, in turn, return half of those savings to the schools in the form of Pell Grants for low and middle-income students. **This would increase student aid as much as an additional \$1,000 per recipient, per year while not costing taxpayers a single penny more.**

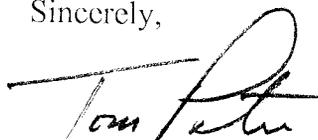
In fact, under the STAR Act, there would be enough savings not only to return half to schools that switch to the more cost-effective program, but also to provide an additional 25 percent of those savings to schools that were previously enrolled in the cost-effective program and thus already saving taxpayers money. **The final 25 percent would be devoted towards deficit reduction.**

**The Office of Management and Budget also confirms in the President's FY2007 budget that even though students get the same loan from the federal government's two student loan programs, one costs taxpayers nearly 3 times more.** While lenders argue this isn't true, they can't produce a single report that shows OMB and CBO loan program cost estimates are off by any amount that would erase the cost difference between the two programs. **The truth lies in the numbers - and the numbers show an opportunity for taxpayer savings.**

By encouraging schools to use the most cost-effective student loan program, we would be supporting efficiency in government and saving taxpayers billions of dollars. The STAR Act isn't just good for students and families, it's a fiscally responsible policy that is good for all taxpayers. **That to me is good Republican policy.**

For more information or to cosponsor H.R. 1425, please contact Tom Culligan at 5-2476

Sincerely,



Thomas E. Petri  
Member of Congress