

[State Press](#)

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Pell Grants will increase by billions of dollars in the coming years, after a new bill was signed into law last week.

The College Cost Reduction and Access Act of 2007 was signed into law by President Bush Thursday and will increase funding for Pell Grants by \$11.4 billion over the next five years. It will also cut federal interest rates in half for financial aid recipients.

Low-income students receiving Pell Grants will be awarded as much as \$5,400 by 2012 - up \$1,090 from the current amount of \$4,310.

And financial aid recipients will be given their loans at a 3.4 percent interest rate, half of the previous 6.8 percent.

Pushing the bill through Congress was one of the biggest goals for lawmakers over the summer, said Rep. Harry Mitchell, D-Ariz., after the bill made its first trip through the U.S. House of Representatives in July.

"College affordability has been an issue since the beginning of Congress," Mitchell said. "The fact is that everybody realizes the cost of education is high and we need to address this issue. This was important to me and this is what Democrats set out to do in Congress."

The push to increase the Pell Grant was Bush's goal, while Congress focused on lowering costs incurred by student lenders, Mitchell said.

Bush is working with Congress to ensure the money allocated for the grants is being paid for by reductions in certain areas of the budget, according to White House documents.

In Arizona, more than 50 percent of students are receiving financial aid and they will begin to notice a change in their rates immediately, Mitchell said.

The Arizona Board of Regents reported that more than 93,000 students in the Arizona university system received financial aid during the 2006-07 school year, with almost half receiving federal aid.

ASU will be working harder over the next year to better accommodate these students, said ASU President Michael Crow.

"There are Pell Grant gifts, or University gifts and merit grants that cover the cost equivalent of tuition for more than half the student body," he said. "We're expanding all of those."

Art freshman Sigrid Jorgenson said she receives financial aid and is glad to hear that interest rates will be significantly lowered when she graduates.

"The fact that they're making a statement that says [they are lowering rates] and actually putting it into action is cool because more kids are going to be going to school now," she said. "Also, we won't have to be worrying about paying it back after we graduate."

The new law will also forgive outstanding debt after 10 years of monthly payments for those going into public service jobs, while offering tuition assistance to students planning on becoming teachers.

Additionally, anyone on active duty in the military will be able to defer their loan payments for up to one year after they return home.

Film freshman Neal Schrodetzki receives his aid from the GI Bill, amounting to roughly \$1,000 a month.

The money has been sufficient in helping him pay for rent and tuition as an in-state student, but he said he is looking forward to seeing what the new benefits will offer him.

"Coming from my household, I wouldn't be able to go through college if it wasn't for the [GI Bill]," he said. "It's really nice."