

### [State Press](#)

Sarah Owen

Students relying on financial aid received a boost Friday, when the U.S. House and Senate passed a bill aimed at lowering the cost of higher education.

The [College Cost Reduction Act](#) seeks to increase federal aid available to students by a total of about \$1.2 billion over the next five years, Rep. Harry Mitchell, D-Ariz. said. It is the largest investment in student aid since the GI Bill.

"We need to do what we can to encourage people to go to school," Mitchell said. "This bill does so much good. It's helping so many people."

Mitchell, who taught at [Tempe High School](#) for 28 years and whose wife is also a retired teacher, said the issue of college affordability has long been a priority for him.

The act, which will go before President Bush to be signed into law or vetoed, aims to increase the amount of aid students receive and also cut the interest rates on student loans.

If approved, it will increase the amount of money students are eligible to receive through the federally funded Pell Grant. Over the next five years the maximum amount of aid through the Pell Grant will increase incrementally by \$1,090, to a total of \$5,400, Mitchell said.

It will also secure funding for students who commit to teaching high-need subjects in high-need schools by providing pre-paid tuition assistance of \$4,000 each year.

Interest rates on student loans will also be cut in half if the bill is approved. Rates will drop from 6.8 percent to 3.4 percent over the next five years.

Mitchell said the act would boost college financial aid at no cost to taxpayers by reducing federal subsidies paid to college loan lenders.

"Money we would have paid to the banks is now going directly to the students," Mitchell said. "So the money for this is coming from the banks. But the banks can't lose money - they're just not going to make as much as they have in the past."

Finance junior Lindsay Bayuk said she thinks the act is fantastic.

"This is hugely significant," Bayuk said. "It's one of the biggest things that can happen for students."

Bayuk said she thinks the act will prove most beneficial for low and middle-income students.

"It will increase the maximum amount [of the Pell Grant], and that amount goes to the neediest students," she said. "It will also create more opportunities for students who will be taking out loans."

Mitchell, who said the act is aimed at middle-class students, expects it to be signed by Bush.

Bush criticized the act earlier this summer and threatened to veto it, Mitchell said, but he is confident Bush will now approve it, since the act was overwhelmingly supported in both the House and Senate.

The conference report adopting the bill passed in the Senate and the House by a 292-97 vote.

Bayuk said she is excited to see that the efforts of students have paid off with the passing of this bill.

"It's great that Congress has made higher education a priority," she said. "All the phone calls and letters written by students - it's really great to see what we can do and to see that Congress has listened."