

The College Cost Reduction Act of 2007

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The College Cost Reduction Act of 2007 introduced by U.S. Rep. George Miller (D-CA), chairman of the House Education and Labor Committee, proposes the largest investment in college education since the 1944 GI Bill, according to the committee's website. If passed, this legislation will help students and families pay for college at no extra cost to U.S. taxpayers.

The legislation provides for almost \$20 billion in additional funding over the next five years for college education. The funds would be raised by reductions in federal subsidies to lenders in the education loan industry. The legislation also includes provisions to reduce the federal budget deficit by \$750 million.

The maximum Pell Grant would increase by \$500 to \$5,200 over the next five years. The objective of this provision is to eliminate the gap between the maximum Pell Grant and tuition in order to assist more low- and moderate-income students.

A reduction of interest rates by half on need-based student loans has also been proposed. Other provisions include tuition assistance for excellent undergraduates who agree to teach in public schools, loan forgiveness for graduates who go into public service, increased federal loan limits to reduce dependence on expensive private loans, and new tuition cost-control measures.

Proponents of the legislation argue that it will be an investment in America's college students and increase U.S. economic competitiveness. The legislation will make college more affordable for the middle class by cutting interest rates, controlling tuition costs, and reducing dependence on expensive private loans by increasing federal loan limits. The increase in the maximum Pell Grant and a widening of eligibility criteria will enhance the purchasing power of Pell Grants.

Students' commitments to serve as law enforcement officers, firefighters, nurses, public defenders, prosecutors, early childhood educators, and librarians will also be rewarded through loan forgiveness. Additionally, the legislation attempts to increase the number of first-generation, low-income college students by encouraging philanthropic organizations to participate in partnerships with federal, state, and local government entities.