

Congress of the United States  
House of Representatives  
Washington, DC 20515-4906

May 4, 2006

**Increase Pell Grants and Reduce the Deficit....  
at No Additional Taxpayer Cost**

*Cosponsor H.R. 1425, the 'STAR Act,' to Make College More Affordable.*

Dear Colleague:

**The 'STAR Act' would make available an additional \$1,000 per Pell Grant, per recipient - and still save taxpayers money.**

All around the country, students and families are making an important decision this month. While college acceptance letters have long-since arrived in mailboxes, millions of students are weighing the ever-rising cost of tuition with the ever-limited pool of Pell Grant aid.

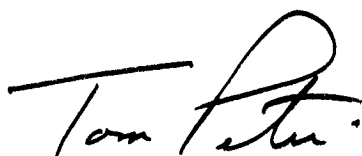
Although more American students are receiving Pell Grants, its purchasing power continues to decrease with each passing year. At the same time, the federal budget is tighter than ever as Congress has made a concerted commitment to reducing the federal deficit.

Recognizing these constraints, last year we introduced **H.R. 1425, the *Student Aid Reward (STAR) Act, to both boost Pell Grant aid and reduce the deficit - through increased government efficiency.*** We're pleased that 46 of our colleagues in the House have joined us by cosponsoring this legislation, and we invite you to show your support to American students through this fiscally-responsible proposal.

- Both critical needs, increasing student aid and reducing the deficit, can be met by encouraging more efficient use of the two federal student loan programs. **There currently exists tremendous inefficiency in one of the programs due to unnecessary and wasteful subsidies made to lenders.**
- **The Congressional Budget Office confirmed that the *STAR Act* would save taxpayers \$13.4 billion in wasteful spending over the next 10 years.**
- The *STAR Act*, in turn, would return over \$10 billion of those savings to the schools in the form of Pell Grants for low- and middle-income students. **This would increase student aid by as much as an additional \$1,000 per recipient, per year while not costing taxpayers a single penny more.**
- **Taxpayers are not only getting more for their money, they are also saving. One quarter of the savings, \$3.35 billion, would be devoted toward deficit reduction.**

Congress should take a close look at this unique opportunity to increase student aid and reduce the deficit at no additional taxpayer expense. For more information or to cosponsor, please contact Tom Culligan in Mr. Petri's office at 5-2476 or Julie Radocchia in Mr. Miller's office at 6-2068.

Sincerely,



THOMAS E. PETRI  
Vice Chairman  
Education and the Workforce Committee



GEORGE MILLER  
Senior Democratic Member  
Education and the Workforce Committee