THE COLLEGE FOR ALL ACT

Eliminates tuition and fees at public four-year colleges and universities for those making up to $125,000 and makes community college tuition- and fee-free for all

This legislation would provide at least $41 billion per year to states and tribes to eliminate undergraduate tuition and fees at public colleges and universities and institutions of higher education controlled by tribes. Under this legislation, students from any family making $125,000 or less—about 80% of our population—would be able to attend a public four-year college or university, or tribal college, tuition- and fee-free. All students—regardless of income—would also be able to attend community colleges tuition- and fee-free.

Under the College for All Act, the federal government would cover 67% of the cost of eliminating tuition and fees at public colleges and universities and tribal institutions of higher education. States and tribes would be responsible for eliminating the remaining 33% of the costs.

To qualify for federal funding, states and tribes must meet a number of requirements designed to protect students, ensure quality, and reduce ballooning costs. States and tribes will need to maintain spending on their higher education systems, on academic instruction, and on need-based financial aid. In addition, colleges and universities must reduce their reliance on low-paid adjunct faculty.

No funding under this legislation may be used to fund administrator salaries, merit-based financial aid, or the construction of non-academic buildings like stadiums and student centers.

Cuts student loan interest rates in half

The College for All Act would cut all student loan interest rates in half by restoring a similar policy that was in effect until 2006. If enacted today, student loan interest rates for new undergraduate borrowers would drop from 3.76% to just 1.88%. In addition, the legislation ensures that rates for undergraduates never rise above 5% and that rates for non-undergraduate borrowers never rise above 8.25%.

Allows Americans to re-finance student loans at the lowest interest rate possible

The College for All Act would enable existing borrowers to refinance their loans based on the interest rates available to new borrowers. Today, Americans can refinance their home loans with an interest rate of less than 4%, but millions of Americans with high student loan interest rates are unable to refinance their student loan debt.

Prevents the federal government from profiting off of the student loan programs

Over the next decade, the federal government is projected to make over $70 billion in profit off of the student loan program. The College for All Act would end the absurdity of the government profiting off of student loan programs, make college more affordable for millions of Americans, and provide relief for millions of others who are struggling to pay off their student loan debt.

Ensures students can attend college without taking on massive debt

Today, the average student takes on over $30,000 in debt to get an undergraduate degree from a four-year college or university. The College for All Act would substantially reduce student debt by eliminating tuition and fees and using existing aid to combat the full cost of college. The bill:

- Ensures low-income students getting a Pell Grant can use this aid for books, housing, transportation, and the other costs of college—and not for tuition and fees.

- Requires states and tribes participating in the College for All Act to cover the full cost of college for their poorest students—filling in the cost gap that may remain after the elimination of tuition and fees and grant aid are taken into account for these students.

- Provides a dollar-for-dollar match for states and tribes that provide extra funding to reduce the cost of college beyond eliminating tuition and fees. States and tribes would also be able to use funding to increase academic opportunities for students, hire new faculty, and provide professional development opportunities for professors.

- Triples our current investment in the Work Study Program, which provides an average award of about $1,670 a year, so that it can reach about 2.1 million students (1.4 million more than today) and focuses funding on schools that enroll high numbers of low-income students.

Eliminates or reduces tuition and fees for low-income students at private colleges and universities that serve historically underrepresented minorities

The act provides at least $1.3 billion per year to eliminate or significantly reduce tuition and fees for low-income students at two- and four-year, private nonprofit Historically Black Colleges and Universities (HBCUs) and private nonprofit Minority Serving Institutions (MSIs) that serve a student body that is composed of at least 35% low-income students. About 200 schools would be eligible to participate.

Provides funding to eliminate equity gaps in higher education attainment

The legislation doubles funding for the TRIO Programs and increases funding for the GEAR UP Program so more first-generation and low-income students can enroll in and graduate college. This means that the TRIO program would reach 1.5 million students and GEAR UP would reach over 100,000 more students than it currently does.

Paid for by a tax on Wall Street speculation

The estimated $600 billion cost of this legislation would be paid for by a separate bill to tax Wall Street speculation. During the financial crisis, Wall Street received the largest taxpayer bailout in the history of the world. Now, it's Wall Street's turn to help rebuild the disappearing middle class. By imposing a small Wall Street speculation tax of just 0.5% on stock trades (that's just 50 cents for every $100 worth of stock), a 0.1% fee on bonds, and a 0.005% fee on derivatives, we would raise at least $600 billion over the next decade. More than 1,000 economists have endorsed a tax on Wall Street speculation and some 40 countries have already imposed a similar financial transactions tax, including Britain, Germany, France, Switzerland, South Korea, Hong Kong, and Brazil.