

U.S. Tammy Baldwin: Joins 32 colleagues to introduce legislation that takes on student debt crisis

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CONTACT: press@baldwin.senate.gov
(202) 224 - 6225

WASHINGTON, D.C. – Today, U.S. Senator Tammy Baldwin, a member of the Senate Health, Education, Labor and Pensions (HELP) Committee, joined Congressional colleagues in introducing the Debt-Free College Act to reverse the growing student debt crisis in the United States. The legislation restores a path to affordable college by providing states incentives through matching grants to increase investments in public higher education and provide students with debt-free college.

“College costs and student loan debt are holding back an entire generation and creating a drag on economic growth for our country,” said Senator Baldwin. “We must embrace solutions like the Debt-Free College Act that will provide relief to America’s students and ensure that higher education is a path to prosperity, not a path into suffocating debt.”

If signed into law, the Debt-Free College Act would establish a state-federal partnership that provides a dollar-for-dollar federal match to state higher education appropriations in exchange for a commitment to help students pay for the full cost of attendance without having to take on debt.

Beyond tuition and fees, the total cost of attendance—room and board, books and supplies, and other expenses—has forced 44 million Americans to take on debt to cover their financial need. College debt has increased 170 percent since 2006 and now exceeds \$1.4 trillion dollars, which is second only to mortgage debt and

surpasses even credit card debt.

According to the Federal Reserve Bank of New York, student loan debt is responsible for 35 percent of the decline in homeownership since 2007. The percentage of younger people who reported owning a business was cut in half between 2010 and 2013. Pew Research Center found that about 50 percent of student borrowers say their loans increase their risk of defaulting on other bills.

“This proposal is truly a comprehensive approach that ensures all students – especially students of color – in our country can get a degree without putting their financial futures at risk,” said Tamara Draut, Vice President of Policy and Research at Demos. “If signed into law, millions of students would have access to a college education who otherwise were left on the sideline because it was out of their price range.”

“At a time when America’s higher education policy is woefully in need of an update, this is a bill that directly responds to the problems facing today’s students,” said Reid Setzer, Government Affairs Director for Young Invincibles. “The Debt-Free College Act takes on the financial challenges facing students by creating the debt-free pathways they need to access and complete postsecondary education. Tuition alone is only a partial share of the cost of college. In addition to free tuition and fees, this bill would give students at 2-year and 4-year public colleges financial aid to cover books, transportation, housing, and other costs that can make it impossible to obtain a college education, while prioritizing students with the highest need. It does this by creating a partnership between the federal government and state governments designed to provide tuition-free and debt-free college to as many students as possible, directly targeting the underlying cause of ballooning debt: state disinvestment. This is the kind of modern policy that responds to the lives of students holistically and makes college attainable for millions.”

Senator Baldwin also recently introduced the America’s College Promise Act to create a new federal-state partnership to provide two years of tuition-free access to community or technical college programs that lead to a degree or industry-recognized credential. The legislation would give students the opportunity to access quality and affordable higher education that gives them the skills and knowledge they need to succeed in the 21st century economy. A full-time community college student could save an average of more than \$3,500 in tuition and fees per year. If all states participated under this program, an estimated 9 million students could benefit.

The Debt-Free College Act is led by Senator Brian Schatz (D-HI) and cosponsored by Senators Kirsten Gillibrand (D-NY), Cory Booker (D-NJ), Kamala Harris (D-CA), Jeff Merkley (D-OR), Elizabeth Warren (D-MA), Sherrod Brown (D-OH), Richard Blumenthal (D-CT) and Dick Durbin (D-IL). The House companion bill is cosponsored by U.S. Representatives Judy Chu (D-CA), Yvette Clarke (D-NY), Joe Crowley (D-NY), Rosa DeLauro (D-CT), Mark DeSaulnier (D-CA), Keith Ellison (D-MN), Jimmy Gomez (D-CA), Raul Grijalva (D-AZ), Eleanor Holmes Norton (D-DC), Jared Huffman (D-CA), Sheila Jackson Lee (D-TX), Ro Khanna (D-CA), Barbara Lee (D-CA), Carolyn Maloney (D-NY), Gwen Moore (D-WI), Grace Napolitano (D-CA), Rick Nolan (D-MN), Frank Pallone (D-NJ), Mark Pocan (D-WI), Jamie Raskin (D-MD), Mark Takano (D-CA), Bonnie Watson Coleman (D-NJ) and Peter Welch (D-VT).

The Debt-Free College Act is also endorsed by National Education Association (NEA), American Federation of Teachers (AFT), Demos, Center for Law and Social Policy (CLASP), Young Invincibles, Credo Action, Institute for Higher Education Policy (IHEP), Council for Opportunity in Education (COE), National Association for the Advancement of Colored People (NAACP), League of United Latin American Citizens (LULAC), and UnidosUS.

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