

U.S. Rep. Pocan: Joins U.S. Sen. Schatz to reintroduce legislation to end student loan debt crisis

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Support Grows With 40 Lawmakers Joining Schatz and Pocan

WASHINGTON – Today, U.S. Senator Brian Schatz (D-Hawai'i) and U.S. Representative Mark Pocan (D-Wis.) led a group of 42 members of Congress in reintroducing the Debt-Free College Act, legislation that will reverse the growing student debt crisis in the United States. The bill 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.

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.

“The full cost of college – including books, room and board, and supplies — is more than twice as much as tuition. If we are going to be serious about solving the student loan debt crisis we need to focus on the real cost to students and their families,” said Senator Schatz. “My bill brings states back to the table and leverages federal dollars to reinvest in public education, and help people cover the full cost of college.”

“Higher education is one of the most certain paths to economic security and

opportunity for Americans. However, while college-degree holders earn significantly more than workers with only high school degrees, the cost of higher education – including tuition, living expenses, books, housing, meals, and more – is now out of reach for many students and their families,” said Congressman Pocan. “The Debt-Free College Act creates a critical federal-state partnership that would make debt-free college a reality for students within five years. With the federal government, states, colleges and universities, and students and their families all contributing, we can ensure that students graduate debt free and are not at a competitive disadvantage as a result of being burdened with student loan 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 \$1.5 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.

“The Debt-Free College Act is an important step toward increasing college access and affordability for students who want to pursue higher education. By passing the Debt-Free College Act, while also taking steps to strengthen Pell Grants, invest in affordable community college options, and go after bad actors in the for-profit college industry, Congress can take action right now to ease the financial burdens on students and their families and invest in the future of our country,” said Senator Brown.

“Students in America should be able to go to college to further their careers without going deep into a financial hole,” said Senator Harris. “The student loan debt crisis will continue to grow worse every year unless we take decisive action to provide relief for students and make college debt-free for everyone. I’m proud to join my colleagues in introducing this legislation to help students go to college without having to take on debt.”

“Higher education is one of the surest paths to economic security and prosperity for Americans, but the astronomical price tag means that ladder of opportunity remains

elusive for many students. Millions of students across the country are graduating with an unprecedented amount of student debt, and low-income students are hurt the most. By providing matching federal funds to states, our bill incentivizes states to help students pay for the full cost of a college degree – including the cost of living – without taking on debt,” said Senator Booker.

“I was the first in my family to go to college, so I know firsthand how important the opportunity to pursue higher education is to the American Dream. But right now, crushing debt is putting that dream in jeopardy for far too many American students,” said Senator Merkley. “In the wealthiest nation on earth, our students shouldn’t have to mortgage their future just to get a college degree. It’s time to put the ‘public’ back in public education and ensure that every student who wants to can pursue higher education debt-free.”

“As student debt skyrockets and higher education remains out of reach for far too many, this legislation would make college actually affordable for working families and help breathe new life into the American Dream,” said Senator Blumenthal.

“Too many college students are already buried in debt by the time they graduate, and Congress needs to do much more to solve this problem,” said Senator Gillibrand. “Education isn’t supposed to hold us back; it’s supposed to set us up for success. That’s why I’m proud to introduce this important bill to help ensure an affordable pathway to higher education for all students. This would not only help end our student debt crisis and lift this enormous burden off of the backs of our graduates, but would also provide our students with the support they need to succeed. I urge all of my colleagues to join me in fighting to pass this bill.”

“Cumulative student loan debt in America amounts to more than \$1.5 trillion. It has led many young people to put off buying cars and houses, starting families, and saving for retirement,” Senator Durbin said. “If we don’t address student debt, we risk losing a generation of economic growth. I’m proud to reintroduce the Debt-Free College Act with Senator Schatz today to give students a chance at quality higher education without debt.”

“Higher education should be a path to prosperity, not debt. But unfortunately, 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.

“Washington must do more to address this problem with real solutions. The Debt-Free College Act will provide relief to America’s students by creating a state-federal

partnership to make higher education more affordable and help graduates get ahead.”

“Every student deserves a chance to get a college education without being crushed by debt,” said Senator Warren. “That’s why I’m glad to join my colleagues in reintroducing the Debt-Free College Act, which would allow our students to build an economic future for themselves and their families.”

The bill is co-sponsored by U.S. Senators Sherrod Brown (D-Ohio), Kamala Harris (D-Calif.), Cory Booker (D-N.J.), Jeff Merkley (D-Ore.), Richard Blumenthal (D-Conn.), Kirsten Gillibrand (D-N.Y.), Dick Durbin (D-Ill.), Tammy Baldwin (D-Wis.), and Elizabeth Warren (D-Mass.).

“For far too many Americans, a college degree is out of reach because of the incredible cost – and for too many others, the debt incurred on the path to higher education makes long-term financial stability all but impossible,” said Congresswoman Lee. “This is especially true for African American students and students of color, who are less likely to be able to afford college than their white peers and more likely to default on their loans after graduating. I’m proud to co-sponsor this legislation to make college more affordable for all Americans and to address the current crisis in student loan debt.”

In the House, the bill is cosponsored by U.S. Representatives Nanette Barragán (CA-44), Brendan Boyle (PA-02), Judy Chu (CA-27), Madeleine Dean (PA-04), Mark DeSaulnier (CA-11), Chuy García (IL-04), Jimmy Gomez (CA-34), Vicente Gonzalez (TX-15), Raúl Grijalva (AZ-03), Deb Haaland (NM-01), Katie Hill (CA-25), Eleanor Holmes Norton (DC-AL), Jared Huffman (CA-02), Pramila Jayapal (WA-07), Ro Khanna (CA-17), Barbara Lee (CA-13), Carolyn Maloney (NY-12), Gwen S. Moore (WI-04), Grace Napolitano (CA-32), Ilhan Omar (MN-05), Ayanna Pressley (MA-07), Jamie Raskin (MD-08), Lucille Roybal-Allard (CA-40), Jan Schakowsky (IL-09), José E. Serrano (NY-15), Mark Takano (CA-41), Bennie G. Thompson (MS-02), Rashida Tlaib (MI-13), Bonnie Watson Coleman (NJ-12), Peter Welch (VT-AL), and Nydia Velázquez (NY-07).

“American students deserve a real shot at achieving their dreams, not a ‘debt sentence’ if they choose to go to college. Unfortunately, too many students have had those dreams dashed by mountains of student debt and by rogue loan servicers hounding them into bankruptcy, which is why 11 of our members have brought a class action suit against Navient. They’re shouldering \$1.7 trillion of debt, often

paying hundreds of dollars a month, partly because 41 states still spend less on higher education than they did before the recession. This pathbreaking bill will help stoke new investment instead of creating more austerity, which will help students graduate debt-free. We hope that Congress, state governments and higher education institutions will work together to turn this bill into urgently needed law,” said Randi Weingarten, President of the American Federation of Teachers.

The bill is endorsed by the American Federation of Teachers, the Center for Law and Social Policy, Council for Opportunity in Education, Demos, Institute for Higher Education Policy, Jumpstart, NAACP, Southeast Asia Resource Action Center, Social Security Works, and Young Invincibles.