

# U.S. Sen. Baldwin: Joins Sen. Schatz and Rep. Pocan in reintroducing legislation to end student loan debt crisis

Posted on Thursday, Mar 7, 2019

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*Debt-Free College Act provides states incentives through matching grants to increase investments in public higher education*

WASHINGTON, D.C. – Today, U.S. Senator Tammy Baldwin joined Senator Brian Schatz (D-HI) and U.S. Representative Mark Pocan (D-WI) 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.

“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."

"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."

"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."

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 bill is also co-sponsored by U.S. Senators Sherrod Brown (D-OH), Kamala Harris (D-CA), Cory Booker (D-NJ), Jeff Merkley (D-OR), Richard Blumenthal (D-CT), Kirsten Gillibrand (D-NY), Dick Durbin (D-IL) and Elizabeth Warren (D-MA).

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.

An online version of this release is available [here](#).