

Federal Budget

Programs that help people pay for college at risk

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For many people in the United States, college paved the way to the middle class. Important programs like Pell Grants and government backed student loans helped many afford a college degree. These programs help young Americans get the skills they need to land a good job. They are an investment in the nation's future.

More than 221,000 students at Ohio colleges received \$800.8 million in Pell Grants for the 2015-16 academic year. Most had incomes of less than \$20,000. Also, that year, the federal government made more than \$907 million in subsidized loans to more than 242,000 Ohio college students. Still too many Ohioans struggle to afford college and repay student loans. In Ohio, average student debt for the class of 2014 was \$29,353 higher than the national average. An estimated 1.6 million Ohioans hold nearly \$39.7 billion federal Direct Loans and Federal Family Education Loan student loans — a number that does not include people with only private student loans. Students in Ohio default on loans at a higher rate than the rest of the nation.

The Trump administration's budget proposal and the resolution passed by the House Budget Committee would dismantle these important sources of need-based aid for low-income students. The proposals also cut funding for interest-free student loans for undergraduate students in school and eliminate some debt relief programs. These programs ensure that college is not just for the wealthy. Due to chronic underfunding from the state, Ohio is one of the worst states in terms of student debt burden. Cuts to these programs would force Ohio students to take on even more debt—and that makes our communities and economies less competitive.

The House Budget Resolution sets Congressional funding priorities over the next 10 years. It calls for massive giveaways to the wealthy and corporations and deep cuts to programs that help people pay for college. Members of the Budget Committee voted to slash \$236 billion in mandatory education spending. They targeted Pell Grants, subsidized loans, income-based repayment plans and public service loan forgiveness. Cuts to these programs would undermine Ohio's college attainment goal of 65 percent by 2025 by placing college even further out of reach for many.

Ohio's members of Congress should not make college even more expensive for Ohioans on one hand while giving big tax breaks to the wealthy with the other. Our representatives and senators must protect student financial aid and debt relief programs by ensuring:

- there are no mandatory or discretionary funding cuts to Pell;
- the maximum Pell Grant award remains indexed to inflation;
- subsidized loans are available to students that need them and they maintain their current interest subsidies;



- income-driven repayment plans and their debt forgiveness features are maintained so borrowers can have manageable monthly payments and avoid unnecessary defaults;
- the Public Service Loan Forgiveness is protected so careers in public service that require higher education are accessible to low- and middle-income people.

Federal financial aid and debt relief programs promote access and affordability for quality higher education for all Ohioans. Protecting them is critical to build a just and prosperous Ohio where everyone can thrive.