2018 Legislative Session Issue Brief

Education debt relief

College affordability and education debt are no longer just a burden—they have become a barrier to the American Dream.

Minnesota ranks fifth in the nation for student debt, with the average student debt load at $31,915 for state college students, according to the Project on Student Debt. State support for higher education also is dwindling. Minnesota’s total higher education funding hasn’t kept pace with inflation over the past decade—it’s 10 percent less than 2008 in real dollars.

This is unacceptable. Attacking the education debt crisis—a massive, billion-dollar problem—requires overhauls at the federal and state level. Here’s what Minnesota lawmakers can do to help all students have access to affordable higher education and start fixing the broken loan repayment system:

• Provide free college for Minnesota residents. In 2000, students at Minnesota’s two- and four-year public colleges in the Minnesota State system paid a little more than one-third of college costs in tuition and fees, with the state picking up the rest. Now students pay for more than half of the cost.

• Create a student loan ombudsperson within state government to act as an advocate for consumers against abuses by loan servicers and lenders. These exploits have been extensively documented and borrowers need protection from misinformation, customer service failures and discriminatory practices.

• Offer improved and more consistent loan counseling for students at all levels of education. Students make better choices about how much and what type of loans to take out if they have access to quality loan counseling before and during their higher education careers.

• Expand Minnesota’s existing teacher loan forgiveness programs. This includes increasing eligibility to include additional areas in which educators work and where there is a shortage, including teachers of color, school counselors, licensed school nurses, occupational therapists, speech therapists, physical therapists, school psychologists and other instructional support personnel.

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