



## Degrees Not Debt

### *Making College Affordable for All American Families*

There's no doubt that a college education is still one of the surest ways to gain the skills needed to build a successful career. But if families cannot afford to pay for a college education without taking on massive student loan debt, we are making the investment in our next generation much more expensive than it needs to be.

The economic downturn of the last decade has forced steep cuts to state education budgets across the country. In the 2015-2016 school year, states spent 11 percent less per student than they did a decade ago. New Mexico has reduced its per student spending by \$4,509 since 2008. As a result, colleges and universities are increasing tuition to make up the difference.

Instead of addressing the rising cost of higher education or the crushing burden of student debt, President Trump and Republicans in Congress passed a \$1.7 trillion tax scam that will benefit corporations and the wealthiest Americans. Senator Heinrich's Degrees Not Debt Act would reverse some of the biggest tax giveaways to the wealthy and instead invest resources to make college more affordable for families by bringing the Pell Grant into the 21<sup>st</sup> century.

The Pell Grant was created more than 50 years ago to make a college education accessible to all low and middle-income families. Pell Grants are the primary form of financial aid for millions of students, giving them access to an education that might otherwise be out of reach. When they were first created, they did just that. During the 1970s, their value steadily increased from \$452 to \$1,800. In those days, that went a long way toward covering the cost of a college education. Since then, the cost of college has grown five times faster than the rate of inflation, and Pell Grants have failed to keep pace.

#### **Specifically, the Degrees Not Debt Act Would:**

- **Increase the Federal Pell Grant** to \$10,000 per year and index future Pell Grants to the consumer price index.
- **Lower the expected family contribution** to \$0 for most families with an Adjusted Gross Income under 250 percent of federal poverty level. An estimated 60 percent of individuals and families attending college in America would receive the full \$10,000 a year to attend school.
- **Hold states accountable** to maintain or increase higher education funding. State governments must maintain or increase appropriations to their higher education institutions to get this Pell Grant funding for their students.
- **Increase college transparency** regarding costs and student outcomes. Higher education institutions must prominently display key indicators that students and parents look at when making the decision about where to go to school.