



Statement Addressing the President's Fiscal Year 2021 Budget Priorities

WEST CHESTER, PA, February 11, 2020 — Providing access to affordable higher education opportunities is critical to the advancement of our nation's citizens and its economy. That is why AccessLex Institute strongly opposes several provisions in the President's 2021 budget proposal, released yesterday, that would significantly weaken key components of the federal financial aid system.

While capping federal graduate student loans is not a new policy position, it is a persistently bad one that threatens to harm underrepresented students. By setting annual and aggregate limits for graduate students at \$50,000 and \$100,000, respectively, the President's budget proposal would significantly limit thousands of Americans from being able to pursue a graduate or professional degree. Lowering the cap on graduate loans will force many students to borrow from private lenders, returning the nation to an environment where many low- and middle-income individuals will be unable to obtain a student loan under reasonable terms, or even obtain a loan at all. And, with 79 percent of black students relying on financial aid for graduate school compared to 56 percent of white students, there is no question that students of color would be disproportionately harmed by this policy.

Additionally, while AccessLex supports repayment simplification and auto-enrolling severely delinquent borrowers into income-driven repayment (IDR) plans, we are strongly opposed to any changes that would make it more difficult for already struggling borrowers to repay their loans. By increasing a borrower's monthly payment from 10 percent of discretionary income to 12.5 percent and extending their repayment forgiveness from 25 to 30 years, the President's budget proposal would penalize and add significant financial burdens to struggling graduate and professional borrowers.

Finally, the Public Service Loan Forgiveness (PSLF) program has proven to be an effective recruitment tool in encouraging individuals to enter and persist in lower-paying, but vitally important, public-sector jobs. In fact, as of April 2018, the U.S. Government Accountability Office estimated that over a million borrowers had taken steps to pursue forgiveness. That is why eliminating the PSLF program would be misguided. This policy will only result in the worsening of existing gaps in access to vital public services and in the quality of their delivery.

"The proposals offered in this budget would limit access for many aspiring students, particularly low-income students and students of color seeking to gain access to law school and other advanced education," said Christopher P. Chapman, President and Chief Executive Officer of AccessLex Institute. "We stand ready and look forward to working with Congress and the President on creating policies that will improve access to and the affordability of graduate and professional education."



By capping federal graduate student loans, creating an IDR plan that would be more expensive for struggling borrowers, and eliminating PSLF, the President's budget proposal threatens to undo the many advancements made by policymakers to provide financial assistance to the neediest students. As Congress contemplates policy proposals that could change financing for those seeking an advanced degree, it should ensure that critical resources are not redirected away from these students and that policy solutions continue to improve access and affordability for all students, particularly those from historically underrepresented and economically disadvantaged backgrounds.

See our guiding principles for Higher Education Act Reauthorization [here](#).

See our full set of Higher Education Act policy recommendations [here](#).