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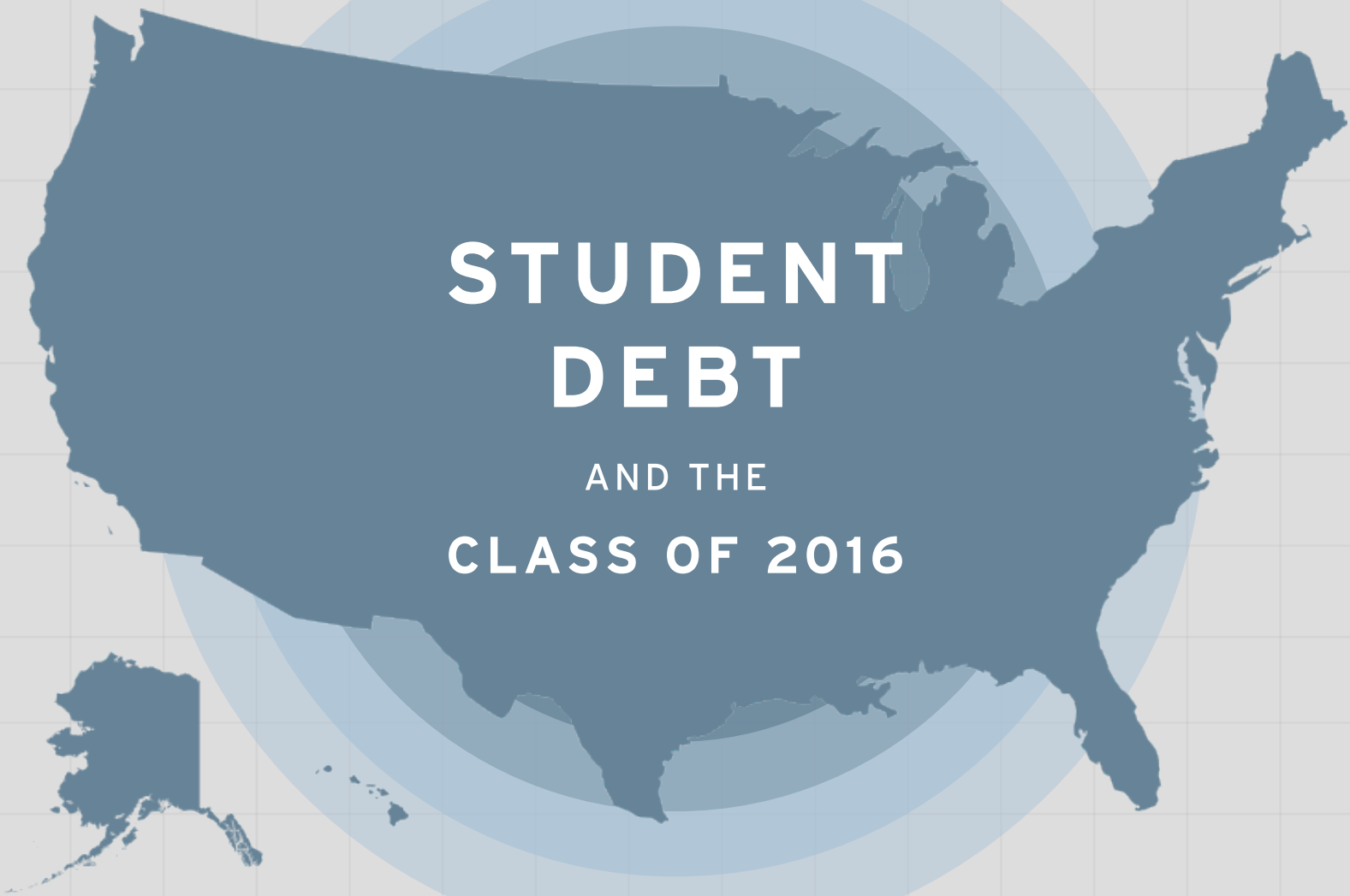

STUDENT DEBT

AND THE

CLASS OF 2016

SEPTEMBER 2017

the institute for college access & success

ACKNOWLEDGEMENTS

The Institute for College Access & Success (TICAS) is an independent, nonprofit, nonpartisan organization working to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt increases public understanding of rising student debt and the implications for our families, economy, and society. To learn more about TICAS, see ticas.org and follow us on Twitter at @TICAS_org.

Student Debt and the Class of 2016, our twelfth annual report on debt at graduation, was researched and written by TICAS' Diane Cheng, Debbie Cochrane, and Veronica Gonzalez. Special thanks to the entire TICAS staff, virtually all of whom contributed to the report's development and/or release. All of the college- and state-level debt data used for the report are available online at ticas.org/posd/map-state-data.

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OVERVIEW AND KEY FINDINGS

Student Debt and the Class of 2016 is TICAS' twelfth annual report on the student loan debt of recent graduates from four-year colleges, documenting the rise in student loan debt and variation among states as well as colleges. Unless otherwise noted, the figures in this report are only for public and nonprofit colleges, because virtually no for-profit colleges report what their graduates owe.

State averages for debt at graduation ranged from a low of $20,000 (Utah) to a high of $36,350 (New Hampshire), and new graduates' likelihood of having debt varied from 43 percent (Utah) to 77 percent (West Virginia). In 17 states, average debt was more than $30,000. Many of the same states appear at the high and low ends of the spectrum as in previous years. High-debt states remain concentrated in the Northeast and Midwest, and low-debt states are mainly in the West. See page 7 for a complete state-by-state table. At the college level, average debt at graduation covers an enormous range, from $4,600 to $59,100.

New college-level data on nonfederal loan borrowing show that private loan and state loan borrowing is concentrated in particular college types and states.

The burden of student debt is not just about how much debt students have, but also about what types of loans they took out. New college-level data on nonfederal loan borrowing show that private loan and state loan borrowing is concentrated in particular college types and states. Of the 100 colleges with the highest private loan borrowing, 85 are nonprofit colleges and 34 are located in Pennsylvania. In terms of state loans, almost 80 percent of the 2016 graduates with state loan debt went to college in just four states – Texas, Minnesota, Massachusetts, and New Jersey – which collectively produce only 14 percent of college graduates.

ABOUT THIS REPORT AND THE DATA WE USED

Colleges are not required to report debt levels for their graduates, and the available college-level federal data do not provide the typical debt for bachelor's degrees or include private loans. To estimate state averages, we used the most recent available figures, which were provided voluntarily by more than half of all public and nonprofit bachelor's degree-granting four-year colleges.[1] The limitations of relying on voluntarily reported data underscore the need for federal collection of cumulative student debt data for all schools. For more about currently available debt data, see page 11.

This report includes federal policy recommendations to address rising student debt and reduce debt burdens, including the collection of more comprehensive college-level data. Other recommendations focus on reducing the need to borrow, keeping loan payments manageable, improving consumer information, strengthening college accountability, and protecting private loan borrowers. For more about these federal policy recommendations, see page 14. To learn more about what states and colleges can do, see page 12.

A companion interactive map with details for all 50 states, the District of Columbia, and more than 1,000 public and nonprofit four-year colleges is available at ticas.org/posd/map-state-data.

A NOTE ABOUT STUDENT DEBT AVERAGES NATIONWIDE

This year's report does not include national figures for the share of the Class of 2016 with debt or their average debt. While we receive new school-by-school debt figures annually, and use them to calculate state-level averages, the best available national average comes from a nationally representative federal study that is released every four years by the U.S. Department of Education (the National Postsecondary Student Aid Study, or NPSAS). The next set of NPSAS data will cover students who graduated in the Class of 2016 – the same group of students covered in this report – but the federal data are not expected to be available for several more months.

Why are we waiting for NPSAS to publish a national average rather than estimating it based on data that schools voluntarily report to college guide publishers? Because we have consistently found that college-reported figures understate student debt levels. NPSAS provides the most comprehensive and reliable national estimate because it is based on a large, nationally representative sample of students, rather than on voluntarily reported data by colleges that participate in a private survey. In years when we can make a direct comparison to NPSAS data, the college-reported figures understate average student debt at the national level by as much as eight percent compared to NPSAS, and the share of students borrowing by as much as 13 percent. Additionally, the NPSAS data will allow us to include borrowing and debt levels for for-profit college graduates, which is not possible with available college-level data because almost no for-profit colleges voluntarily report their data to other surveys.

STUDENT DEBT AT COLLEGES

Of the 2,025 public and nonprofit four-year colleges in the U.S. that granted bachelor's degrees during the 2015-16 year, 1,055 – just 52 percent – reported figures for average debt, percent of graduates with debt, and number of borrowers for the Class of 2016.

There is great variation in debt across reporting colleges, with average debt figures from $4,600 to $59,100 among the 936 colleges that had both usable data and at least 100 graduates in the Class of 2016.[2] Because not all colleges report debt data, the actual ranges could be even wider. At the high end, 194 colleges reported average debt of more than $35,000. The share of students with loans also varies widely. The percent of graduates with debt ranges from six percent to 98 percent. Twenty-six colleges reported that at least 90 percent of their 2016 graduates had debt.

Many high-debt colleges could do more to direct their financial aid resources toward students with financial need.

Student debt varies considerably among colleges due to a number of factors, such as differences in tuition and fees, the availability of need-based aid from colleges and states, colleges' financial aid policies and practices, living expenses in the local area, the demographic makeup of the graduating class, the degree to which parents use Parent PLUS loans, and, at public colleges, the extent of out-of-state enrollment.

Students and families often look at the published tuition and fees for a college as an indicator of affordability. However, students attending college need to cover the full cost of attendance, which also includes the cost of books and supplies, living expenses (room and board), transportation, and miscellaneous personal expenses. Colleges' cost-of-attendance estimates are often referred to as the sticker price. Many students receive grants and scholarships that offset some of these costs, and colleges that appear financially out of reach based on sticker price may actually be affordable because they offer significant grant aid.

What students have to pay is called the net price, which is the full cost of attendance minus expected grants and scholarships. Students' net price can be much lower than the sticker price, yet many students and parents are unaware of this distinction when comparing their options. At some of the most expensive schools in the country, the net price for low- and moderate-income students can be lower than at many public colleges, because of financial aid packaging policies and considerable resources for need-based aid from endowments and fundraising. This in turn can contribute to relatively low average debt at graduation. Some schools enroll relatively few students with low and moderate incomes, which may also contribute to low student debt levels if their higher income students can afford to attend without borrowing much or at all.

Many colleges at which graduates leave with high levels of debt could do more to direct their financial aid resources toward students with financial need. Among the 60 colleges reporting average debt of at least $40,000 and that reported details on institutional grant aid spending, 26 colleges (43%) reported spending at least 20 percent of their institutional grant dollars on students who do not have financial need, either because they could afford their total college costs (as determined through a federal calculation) or because their need had already been met. Together, these 60 high-debt colleges spent a total of $465 million on institutional grant aid for students without financial need, yet only four of these colleges fully met the need of at least a quarter of their full-time students.

A NOTE ON STUDENT DEBT AT FOR-PROFIT COLLEGES

For-profit colleges are not included in the state averages, because so few of these colleges report the relevant debt data. Only 10 of 465 for-profit, four-year, bachelor's degree-granting colleges (2% of colleges in this sector, 3% of bachelor's degrees awarded) chose to report the number of graduating students in the Class of 2016 with loans, the percent of graduates with debt, and those graduates' average debt. For-profit colleges do not generally respond at all to the survey used to collect the data in this report or to other similar surveys. (For more about this survey, see page 19.) About six percent of bachelor's degree recipients in 2015-16 were from for-profit colleges.*

However, for-profit colleges are where debt levels are most troubling. The most recent nationally representative data on for-profit college students are for 2012 graduates, and they show that the vast majority of graduates from for-profit four-year colleges (88%) took out student loans. These students graduated with an average of $39,950 in debt — 43 percent more than 2012 graduates from other types of four-year colleges.**

* Calculations by TICAS on 2015-16 completions from U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), using the latest data available as of August 3, 2017. These figures refer to all for-profit four-year colleges that reported granting bachelor's degrees in 2015-16.

** Calculations by TICAS on data from U.S. Department of Education, National Postsecondary Student Aid Study 2012.

STUDENT DEBT BY STATE

Statewide average debt levels for the Class of 2016 range from $20,000 to $36,350. Many of the same states appear at the high and low ends of the spectrum as in previous years.[3] The share of graduates with debt ranges from 43 percent to 77 percent. We base state averages on the best available college-level data, which were reported voluntarily to college guide publisher Peterson's by 1,055 public and nonprofit four-year colleges for the Class of 2016. The data reported by colleges are not audited or confirmed by any outside entity. For more about the data and our methodology, please see the Methodology section on page 19.

The following tables show the states with the highest and lowest average debt levels for the Class of 2016. Similar to past years, high-debt states are located mainly in the Northeast and Midwest, with low-debt states primarily in the West.[4]

TABLE 1

HIGH-DEBT STATES	
New Hampshire	$36,367
Pennsylvania	$35,759
Connecticut	$35,494
Delaware	$33,838
Minnesota	$31,915
Massachusetts	$31,563
South Dakota	$31,362
Maine	$31,295
Alabama	$31,275
Rhode Island	$31,217

TABLE 2

LOW-DEBT STATES	
Utah	$19,975
New Mexico	$21,373
California	$22,744
Arizona	$23,447
Nevada	$24,128
Florida	$24,461
Washington	$24,609
Wyoming	$25,378
North Carolina	$25,562
Oklahoma	$25,856

The table on page 7 shows each state's average debt and proportion of students with loans in the Class of 2016, along with information about the amount of usable data actually available for each state.[5]

STUDENT DEBT AND COLLEGE (UN)AFFORDABILITY

Students generally borrow when available resources from income, savings, and grants and scholarships are not enough to cover college costs. With less family income to contribute and insufficient grant aid, lower income students face the most extreme and unrealistic financial expectations when it comes to paying for college. Nationally, families that earn $30,000 or less would need to spend 77 percent of their total income to cover the net price at public four-year colleges, more than double the burden placed on any other income group.*

Unsurprisingly, many of the states where lower income students face the largest challenges paying for college are also states where graduates leave college with high debt. In five of the ten states where public college graduates' debt loads are highest, an earlier TICAS analysis, *College Costs in Context*, had shown that the net price for low-income students attending public four-year colleges exceeded total family income. In all but one of the ten highest debt states for public college graduates, low-income students would have to work 30 or more hours per week to cover their net price.**

To put these figures in context, the affordability benchmark developed by Lumina Foundation, a framework for determining what students and families can afford to pay for college, suggests that low-income students should be able to cover the net price of college by working 10 hours per week.*** The disparity between that expectation and the reality for low-income students underscores the link between college affordability and student debt, and points to where improvements are most needed.

* TICAS. 2017. *College Costs in Context: A State-by-State Look at College (Un)affordability*. https://ticas.org/sites/default/files/pub_files/college_costs_in_context.pdf.

** The ten states where public college graduates' debt loads are highest are: Alabama, Delaware, Maine, Massachusetts, Michigan, Montana, New Hampshire, Pennsylvania, Rhode Island, and South Carolina. Low-income students' net prices exceed family income in these five states: Alabama, Delaware, New Hampshire, Pennsylvania, and South Carolina. The one state in which low-income students could work fewer than 30 hours to cover the average net price of public four-year colleges is Rhode Island.

*** Lumina Foundation. 2015. *A Benchmark for Making College Affordable: The Rule of 10*. http://www.luminafoundation.org/files/resources/affordability-benchmark-1.pdf.

TABLE 3

PERCENTAGE OF GRADUATES WITH DEBT AND AVERAGE DEBT OF THOSE WITH LOANS, BY STATE							
	Class of 2016				Institutions (BA-granting)		Graduates
State	Average Debt	Rank	% with Debt	Rank	Total	Usable	% at Schools with Usable Data
Alabama	$31,275	9	50%	43	32	13	59%
Alaska	$26,008	40	49%	47	5	4	100%
Arizona	$23,447	47	49%	47	17	6	71%
Arkansas	$26,859	35	56%	31	23	10	55%
California	$22,744	48	53%	37	134	70	79%
Colorado	$26,520	37	53%	37	26	14	85%
Connecticut	$35,494	3	60%	18	22	14	65%
Delaware	$33,838	4	63%	10	5	2	68%
District of Columbia	$31,054	12	53%	37	8	6	78%
Florida	$24,461	45	52%	41	102	30	78%
Georgia	$27,657	28	60%	18	59	31	72%
Hawaii	$26,092	39	50%	43	9	3	72%
Idaho	$27,130	33	66%	7	11	6	63%
Illinois	$29,271	23	61%	14	77	38	79%
Indiana	$29,562	20	59%	26	50	34	86%
Iowa	$29,801	19	65%	8	34	23	89%
Kansas	$28,776	25	60%	18	30	14	90%
Kentucky	$28,910	24	63%	10	30	18	90%
Louisiana	$27,138	32	50%	43	28	10	59%
Maine	$31,295	8	55%	34	19	9	50%
Maryland	$27,455	30	54%	36	32	15	63%
Massachusetts	$31,563	6	60%	18	81	45	76%
Michigan	$30,852	13	63%	10	49	27	72%
Minnesota	$31,915	5	68%	4	38	24	84%
Mississippi	$29,384	21	60%	18	16	9	84%
Missouri	$27,532	29	57%	30	55	26	80%
Montana	$31,065	11	60%	18	11	8	97%
Nebraska	$26,585	36	61%	14	24	9	63%
Nevada	$24,128	46	52%	41	9	2	89%
New Hampshire	$36,367	1	74%	3	15	10	91%
New Jersey	$29,878	18	61%	14	38	18	71%
New Mexico	$21,373	49	55%	34	11	4	42%
New York	$30,346	15	58%	27	184	83	68%
North Carolina	$25,562	42	58%	27	63	37	86%
North Dakota	*	*	*	*	14	5	21%
Ohio	$30,351	14	64%	9	92	42	87%
Oklahoma	$25,856	41	50%	43	29	15	84%
Oregon	$27,321	31	58%	27	29	18	91%

PERCENTAGE OF GRADUATES WITH DEBT AND AVERAGE DEBT OF THOSE WITH LOANS, BY STATE

	Class of 2016				Institutions (BA-granting)		Graduates
State	Average Debt	Rank	% with Debt	Rank	Total	Usable	% at Schools with Usable Data
Pennsylvania	$35,759	2	68%	4	129	89	83%
Rhode Island	$31,217	10	61%	14	11	6	68%
South Carolina	$30,123	16	60%	18	33	16	66%
South Dakota	$31,362	7	75%	2	13	7	32%
Tennessee	$26,981	34	60%	18	48	26	85%
Texas	$26,292	38	56%	31	95	53	91%
Utah	$19,975	50	43%	50	17	8	68%
Vermont	$28,662	26	63%	10	18	7	72%
Virginia	$29,296	22	56%	31	47	36	96%
Washington	$24,609	44	53%	37	42	17	94%
West Virginia	$27,708	27	77%	1	21	11	42%
Wisconsin	$30,059	17	67%	6	38	26	88%
Wyoming	$25,378	43	45%	49	2	1	100%

* We did not calculate state averages when the usable data covered less than 30% of bachelor's degree recipients in a given state for the Class of 2016. For more details, see the Methodology section on page 19.

PRIVATE (NONFEDERAL) LOANS

The burden of student debt is not just affected by the amount of debt students have, but also about what types of loans they took out. Carrying nonfederal loans can significantly affect borrowers' ability to repay what they owe because such loans typically have higher costs than federal loans and provide little, if any, relief for struggling borrowers.[6] Debt figures reported by colleges suggest that about one-fifth of graduates' debt in recent years has been comprised of nonfederal education loans.[7]

Carrying nonfederal loans can significantly affect borrowers' ability to repay what they owe. Nonfederal loans typically have higher costs than federal loans and provide little, if any, relief for struggling borrowers.

The terms "private" and "nonfederal" are often used interchangeably to describe student loans outside of federal student loans. The majority of nonfederal loans are made by private banks and lenders, though some states and colleges have their own private, nonfederal loan programs for students. Specific costs and terms of nonfederal loans vary, though none provide the same consumer protections and repayment options that come with federal loans. Experts agree that students should exhaust federal loan eligibility before turning to nonfederal loans. Colleges that recommend specific nonfederal lenders must provide a "preferred lender list" that helps students who must look beyond federal loans compare options. These lists must include more than one lender, disclose the borrower benefits that contributed to the lenders' inclusion on the list, and make clear that students are not required to use one of the recommended lenders.

Because of changes to how the debt data used in this report are collected from individual colleges, it is possible to begin exploring the extent to which graduates from each college hold nonfederal loans. Graduates from high-debt colleges tend to rely more on nonfederal loans. However, some colleges where typical debt loads are low still have high rates of nonfederal loan usage. At the 80 colleges where borrowers' average debt was under $20,000, there were at least 20 schools where one-fifth or more of students' debt was nonfederal loan debt.

Nationally representative data for 2012 graduates remain the best source of information about the extent of nonfederal debt among college graduates at the national level. Thirty percent of bachelor's degree recipients that year graduated with nonfederal loans, with average nonfederal loan debt of $13,600.[8] Nonfederal loans are most prevalent at for-profit colleges: 41 percent of their seniors graduated with private loans in 2012.[9]

LOANS FROM PRIVATE BANKS AND LENDERS

Private education loans from banks and lenders are no more a form of financial aid than a credit card. Regardless of whether they are fixed or variable, interest rates for these loans are typically highest for those who can least afford them. In September 2017, interest rates for undergraduate private education loans were as high as 14.24%, compared to a federal student loan interest rate of 4.45%.[10]

While there is broad consensus that students should exhaust federal loan eligibility before turning to other types of loans, 47 percent of undergraduates who took out private loans in 2011-12 did not use the maximum available in federal student loans.[11] College financial aid offices can play an important role in reducing their students' reliance on private loans, but college practices vary widely.[12] Some colleges take care to inform students about their federal loan eligibility before certifying private loans, whereas others encourage private loan financing by including private loans in students' award packages.

Today, private lenders typically look to schools to help certify students' eligibility for loans, but they are not required to do so and certification rates have historically been much lower when market conditions were more favorable.[13] An analysis by the Consumer Financial Protection Bureau (CFPB) and U.S. Department of Education found that at the height of the private loan

market in 2007, almost a third (31%) of private loans were made without college involvement.[14] When colleges are unaware that their students are seeking or receiving private loans, they are unable to counsel students appropriately or report private loan usage accurately. (See our recommendation about private loan certification on page 17.)

Private loan borrowing is concentrated in particular college types and states. For example, of the 100 colleges where graduates borrow most in private loans, 85% are nonprofit four-year colleges, which graduate 31% of bachelor's degree recipients.[15] Of the same 100 colleges, 34 are located in Pennsylvania, a state that accounts for just 5% of college graduates.

STATE LOANS

Several states offer their own education loans, which have terms that vary widely. Although some may expect state loans to have better terms than those from private banks and lenders, their terms frequently have more in common with other private loans than with federal loans.

Of the 100 colleges where graduates borrow most in private loans, 85 are nonprofit four-year colleges, and 34 of the 100 are located in Pennsylvania.

The data reported by colleges indicate that state loan borrowing is concentrated in particular states. Almost eighty (79%) percent of the 2016 graduates with state loan debt went to college in just four states – Texas, Minnesota, Massachusetts, and New Jersey – which collectively produce just 14 percent of college graduates.[16] While states often strive to create loan programs that are better for students than federal student loans, the reality generally falls far short.[17] The extent to which these state loan programs urge borrowers to tap federal student loans first varies.

DATA ON DEBT AT GRADUATION

While the voluntarily reported data used in this report remain the best available for showing the variations in student debt across states and colleges, they also illustrate why more comprehensive and comparable data remain sorely needed.

This report uses the only type of data currently available to gauge cumulative student debt for bachelor's degree recipients each year. As we note elsewhere in this report, these data have significant limitations. There are several reasons why the voluntarily reported, college-level debt data provide an incomplete picture of the debt carried by graduating seniors. While schools awarding 78 percent of public and nonprofit college bachelor's degrees in academic year 2015-16 reported debt figures, hundreds declined to report enough data to be included in this analysis. And as noted earlier, almost no for-profit colleges provide debt figures voluntarily. For more information on data limitations, see the Methodology section on page 19. For more information on for-profit colleges, see page 4.

Beginning in 2015, in conjunction with the College Scorecard consumer tool, the U.S. Department of Education began publishing the median federal student loan debt of graduates by school. These figures, calculated by the Department using data available through the National Student Loan Data System (NSLDS), are a significant step in the right direction. Cumulative debt figures for all institutions receiving federal financial aid are included. This provides some data for schools that choose not to report them voluntarily, and the data come from administrative records rather than being self-reported by colleges. However, these federal data also have several limitations. They exclude private loans, because private loans are not included in NSLDS. They combine debt at graduation for all types of undergraduate credentials, from certificates to bachelor's degrees, making comparisons between colleges with different mixes of credential types misleading. According to the Department, some schools are not yet accurately distinguishing between students who withdraw and those who graduate, when reporting to NSLDS.[18] And in some cases, the debt figures represent a group of campuses rather than disaggregated data for each campus, which can be misleading for students looking for information about their particular campus.

While the voluntarily reported data used in this report remain the best available for showing the variations in student debt across states and colleges, they also illustrate why more comprehensive and comparable data remain sorely needed. Students and families need better information about costs and student outcomes when making college choices. The Department's data release and updated Scorecard are notable and important steps forward, but further improvements in the collection and availability of student debt data remain both necessary and long overdue. (See our recommendations for better data on page 16).

TABLE 4

COMPARISON OF AVAILABLE ANNUAL DATA ON DEBT AT GRADUATION		
	This Report's Data	**Federal College Scorecard Data**
Type of Debt Included	All student loan debt	Federal student loan debt only
Type of Graduates	Bachelor's degree recipients	All undergraduate completers
How the Data Are Reported	Voluntarily self-reported	Calculated by the U.S. Department of Education
What Data Are Reported	Average debt for borrowers; Percent with debt; Number with debt	Median debt for borrowers; Number with debt
Coverage of Reporting Colleges	Most public and nonprofit four-year colleges; few others	All colleges offering federal aid
Multi-campus colleges	Reported as individual campuses	Campuses may be grouped together

WHAT COLLEGES AND STATES CAN DO

The best ways for colleges and states to reduce students' reliance on debt are to lower total college costs and provide need-based grants to help students cover costs without loans. Additionally, detailed below is an array of other options that colleges and state policymakers can consider to address college affordability and student debt. Each of these options is preferable to creating new loan programs or allowing or encouraging borrowers to refinance federal loans into state loans, policy ideas which very rarely help reduce the burden of student loan debt for those who most need the help and can unintentionally steer students away from the valuable benefits and consumer protections that come with federal student loans.

INSTITUTIONAL POLICY IDEAS FOR REDUCING DEBT BURDENS

- **Prioritize needy students when awarding grant aid.** High-debt colleges spend hundreds of millions of dollars in institutional grants each year on students who have no financial need. Redirecting some of these resources to students who most need financial support would help reduce students' debt burdens.
- **Provide counseling for students seeking private loans.** Most private education loans are certified by the students' schools, and the certification requests give colleges a timely opportunity to counsel students about the risks of private loans and alternative options to explore, including untapped grant aid or federal loans.
- **Look at borrowing trends across types of students and types of debt.** The debt figures reported by colleges and used in this report are for all graduates, but debt burdens are not borne evenly across students. For example, the University of California consistently reports that lower income students are far more likely than those with higher incomes to graduate with debt.[19] Uncovering these trends is the first step to addressing them.
- **Set some financial aid resources aside to help students with emergencies.** Many students who face unexpected financial challenges throughout the academic year may need to take on unexpected debt, or, worse, stop out of college. Colleges that have grant aid specifically to help students cover such emergencies – and take care to ensure that students know about it – can help students bridge the financial gap.
- **Set clear, reasonable student budgets.** Colleges develop estimates of what it costs students to attend, and these estimates are used to determine how much aid students are eligible for. Research suggests that colleges frequently lowball student costs, which can lead to unexpected financial struggles and additional debt if students' expectations about costs and their plans for covering costs are out of line with reality.[20] Setting cost estimates transparently would better position students for success, and help them avoid unexpected debt.
- **Ensure that net price calculators are easy to find, use, and compare.** Since 2011, most colleges have been required to have net price calculators on their websites, to help prospective students get an early estimate of what any particular college will cost to attend. For some colleges, though, the utility of the calculators is undermined because of how difficult they are to find and use.[21] Schools should promote the use of these tools, rather than deter it.

STATE POLICY IDEAS FOR REDUCING DEBT BURDENS

- **Allocate available state grant aid based on need, not merit.** In 2014-15, 24 percent of state grant aid dollars were allocated to undergraduate students without regard to their financial circumstances.[22] Students with greater financial need are more likely to need loans to cover college costs, and need-based state grant aid can help reduce students' need to borrow.

- **Exempt forgiven amounts of federal student loans from state income tax.** When federal student loan debt is forgiven after 20 or 25 years of payments in an income-driven repayment plan, the amount forgiven is currently treated as income by the IRS, and can turn a would-be source of financial relief into a significant financial liability for individuals who can least afford it. As stakeholders work to address this at the federal level, state lawmakers can do their part by excluding forgiven federal student loan debt from calculations of state tax liability, as Pennsylvania does.[23]

- **Set institutional accountability standards for schools that receive state grant aid.** In California, colleges where a substantial share of students borrow loans must meet student loan default rate and graduation rate standards in order to be eligible for state grant aid.[24] These standards direct students and state subsidies to schools where students' debt loads are more likely to be manageable.

- **Promote awareness of income-driven repayment plans.** Most student loan debt is federal loan debt and can be repaid based on the borrower's income, rather than the amount of debt they owe, which can help struggling borrowers stay on track and avoid default. Income-driven repayment plans also provide a light at the end of the tunnel by forgiving remaining debt, if there is any, after 20 or 25 years of payments. State policymakers can help get the word out about these income-driven plans through local outreach efforts and other channels of communication.

- **Require colleges within a state to adopt institutional strategies to help reduce the burden of student debt.** For instance, states could require that colleges provide private loan counseling or analyze and report on trends in student borrowing.

FEDERAL POLICY RECOMMENDATIONS TO REDUCE THE BURDEN OF STUDENT DEBT

In today's economy, being able to complete a college degree or other credential paves the way toward improved career prospects and increased quality of life. For students who need to borrow to enroll in and complete their higher education, federal student loans are a critical resource, providing the safest and most affordable borrowing option. However, for too many borrowers, student loan repayment is a challenge: One in four federal student loan borrowers are delinquent or in default on their loans.[25] Even for students who are able to keep up with their payments, student loan debt – even low debt when paired with low earnings – can hold borrowers back from starting a family, buying a home, saving for retirement, starting a business or farm, or saving for their own children's education.

Below are federal policy recommendations to make college more affordable and reduce the burden of student debt, including:

- Reducing college costs and students' need to borrow;
- Protecting access to federal student loans;
- Ensuring federal loan payments are manageable and fair;
- Ensuring students have access to the information they need to make informed choices about where to go to college and how to pay for it;
- Improving accountability for colleges that receive federal funding;
- Reducing reliance on risky private loans; and
- Better targeting federal education tax benefits.

These and other recommendations are further detailed in our national student debt policy agenda, available online at ticas.org/initiative/student-debt-policy-agenda.

Reduce College Costs and the Need to Borrow

The most effective way to reduce student debt is to reduce the amount students are asked to pay, so that students and families can more easily cover college costs with savings, earnings, and grants.

- **Strengthen Pell Grants.** We recommend doubling the maximum federal Pell Grant to restore its purchasing power, and permanently indexing it to inflation to maintain its value going forward. Need-based grants reduce low- and moderate-income students' need to borrow, yet the Pell Grant currently covers the lowest share of the cost of college in more than 40 years. Additionally, absent Congressional action, next year will be the first time in six years that the grant will not increase with inflation, resulting in further decline of the already low purchasing power of the grant.[26]
- **Ensure Federal Funds Supplement State Investment.** We recommend making a significant new federal investment in public higher education contingent on states maintaining or increasing their own investment in public higher education. About three-quarters (76%) of undergraduates attend public colleges,[27] where, even after significant recovery, average state funding per student remains 16 percent lower than before the recession.[28] Congress should create a new federal/state partnership that includes a strong maintenance of effort provision aimed at maintaining or lowering the net price of public college for low- and moderate-income students.[29]

Protect Access to Federal Student Loans

For the students who continue to need to borrow to attend and complete college, federal loans are the safest option available, providing all eligible students with equal access to credit with fixed interest rates, flexible repayment plans, and consumer protections not otherwise available. Without federal loans, students may turn to much riskier forms of credit, such as credit cards, payday loans, or private loans, or forgo college altogether, delay entry, or reduce their odds of success by attending part-time or working too much. Maintaining access to federal student loans includes opposing any proposal that would allow colleges to reduce eligibility for federal student aid for entire groups of students (e.g., by student characteristics or program of study).[30] Rather than protect students from excessive borrowing, such proposals are more likely to deny low-income students access to college or to certain programs and careers, undermining the goal of supporting access to a quality education in a program of their choosing, regardless of financial circumstances.

Make Loan Repayment Simple, Manageable, and Fair

Income-driven repayment (IDR) plans provide a critical safeguard for borrowers by capping monthly payments based on the borrower's income and family size, and providing a light at the end of the tunnel by forgiving remaining debt after 20 or 25 years of responsible payments. However, the confusion created by having five different IDR plans available today,[31] combined with a cumbersome annual income recertification process and insufficient help from student loan servicers, has contributed to under-enrollment among the borrowers who may need IDR the most.

- **Simplify and Improve Income-Driven Repayment (IDR).** To simplify and improve student loan repayment as well as reduce delinquency and default, we recommend streamlining the multiple IDR plans into a single, improved plan that works better for both students and taxpayers. This single IDR plan, paired with the option of a fixed payment plan, would let any borrower choose the assurance of payments capped at 10 percent of income and provide tax-free forgiveness of remaining debt, if any, after 20 years of payments. The plan would also better target benefits to those who need them most, and prevent borrowers with high incomes and high debt from receiving loan forgiveness when they could have afforded to pay more.[32]

- **Make it Easier for Borrowers to Keep Making Payments Based on Income.** Rather than having to proactively submit new income information every year or getting their payments bumped up to non-income-based and potentially unaffordable amounts, borrowers should be able to give permission for the Department of Education (the Department) to automatically access their required tax information, permission that the borrower can revoke at any time. This change will help borrowers maintain affordable payments and stay on top of their loans, as well as shrink paperwork and burden for both borrowers and loan servicers. The Departments of Treasury and Education reached an agreement to do this but progress has stalled despite strong bipartisan support in the House and Senate to require that they do so as soon as possible, as well as bipartisan legislation that would require it.[33]

- **Improve Student Loan Servicing.** Many struggling federal student loan borrowers who would benefit from IDR plans have not enrolled, and the Department's own data show that the majority of enrolled borrowers missed their annual income recertification deadline.[34] This raises serious questions about the effectiveness of communications from federal loan servicers. Experimental pilots conducted by the Department have helped identify ways that servicer communications can be improved.[35] We urge the

adoption of consistent, enforceable servicing standards for all student loans, as jointly recommended by the Consumer Financial Protection Bureau and the Departments of Education and Treasury.[36] TICAS strongly supported prompt implementation of the Education Department's July 2016 policy direction on the servicing of all federal student loans to create a more transparent and accountable system that provides high-quality servicing and promotes continuous improvement.[37] Unfortunately, in April 2017, the new presidential administration retracted this memo, which included a directive that student loan contractors' past performance be considered in awarding new contracts.[38]

Help Students and Families Make Informed Choices

Students need readily available, timely, accurate, and comparable information to make informed decisions about where to go to school and how to pay for it. Recent improvements include the use of the tax data available at the time students are filing the FAFSA so students can complete the application earlier, and find out how much federal aid they qualify for before deciding where to apply. The Department's College Scorecard also increases transparency by highlighting important data on individual colleges' costs and student outcomes.[39] However, key data on student debt are still not available, and it remains too difficult for students to get comparable estimates of how much colleges may cost them, or compare aid offers from different colleges.

- **Bring Postsecondary Data into the 21st Century.** To support more useful, comprehensive, accurate and comparable postsecondary data, we have joined business leaders,[40] the Postsecondary Data Collaborative,[41] students,[42] and policymakers from both sides of the aisle[43] in recommending a repeal of the 2008 ban on a student level data network, and the creation of a network with strong protocols for protecting both student privacy and data security. In the meantime, improvements to existing data collection and reporting mechanisms are still urgently needed. For example, total debt at graduation – including both federal and private loans – is not available for every college, nor is debt for each type of credential offered by a given school. We recommend that the Department immediately collect these data from colleges via the Integrated Postsecondary Education Data System (IPEDS).

- **Consumer Information.** Making currently available data more accessible, easier to understand, and easier to compare will help students better identify colleges that provide the best value and fit based on their individual circumstances, needs, and goals. Toward that end, we recommend further improvements to and promotion of the following existing consumer tools:

    - *College Scorecard*: The College Scorecard is an interactive online tool that helps consumers quickly and easily understand the chances of completing, borrowing, or ending up with high debt and/or low earnings at a specific school. Additional enhancements to the student debt data in the College Scorecard would increase the usefulness of that information. Cumulative debt figures should be disaggregated by type of credential completed, should allow for state-level figures to be calculated and compared, and should include both federal and private loan debt as soon as they are collected and available.

    - *Net Price Calculators:* Nearly all colleges are required to have a net price calculator on their website to provide an individualized estimate of how much the college would cost a particular student, well before he or she has to decide where to apply. Our research has found that many of these calculators are hard to find, use, and compare.[44] Bipartisan legislation has been introduced to address these issues, including

authorizing the creation of a central portal that would let students quickly and easily get comparable net price estimates for multiple colleges at once.[45]

- *Financial Aid Shopping Sheet*: The Shopping Sheet is a voluntary standard format for college financial aid offers, designed to make it easy for students to understand and compare the real cost of attending the colleges where they have been accepted. More than 3,000 colleges now use the Shopping Sheet, but many schools still do not use it at all or use it only for some students.[46] Students should be able to count on clear and comparable financial aid offers no matter where they apply. Bipartisan legislation has been introduced to require all colleges receiving federal aid to use a similar standardized award letter format.[47]

- *Loan Counseling*: By law, all federal student loan borrowers are required to receive entrance and exit counseling. The Department has worked to improve its current online counseling, which is used by thousands of colleges. However, there remains significant potential as well as bipartisan interest in enhancing federal student loan counseling to ensure that students are provided clear, timely, actionable information that is relevant to their borrowing options.[48] We support empowering schools to require annual counseling in order to more consistently provide students with information related to their previous and future borrowing decisions without deterring or restricting access to loans that students need to attend and succeed in college. We also encourage the Department to continue evaluating and improving its online tools, including more effective integration of income-driven repayment plan options in exit counseling.

Strengthen College Accountability

There is strong bipartisan support for improving the current financial aid eligibility system, where the all-or-nothing approach allows schools to too easily maintain the status quo, even if their performance consistently falls near the established threshold for failure. We recommend a new federal aid eligibility policy that supplements rather than replaces other existing accountability measures (e.g., the gainful employment and "90/10" rules). Our proposal to improve the current Title IV eligibility system uses a student-based debt outcome measure to tie federal aid eligibility to the actual financial risk students take by enrolling in, and the risk taxpayers take by subsidizing, a school. Our proposal includes graduated risk-sharing payments to prompt colleges to improve, as well as robust rewards to encourage colleges that serve students well to enroll more low-income students.[49]

Reduce Risky Private Loan Borrowing

There is bipartisan support for ensuring that students take out federal loans before turning to riskier private loans to pay for school.[50] Private education loans are one of the riskiest ways to pay for college. Unlike federal loans, they typically have variable interest rates and lack the important borrower protections and repayment options that come with federal loans. Private loans for students are also generally more costly than federal loans, and lower income students usually receive the worst private loan rates and terms.[51] Yet almost half of undergraduates who borrow private loans could have borrowed more in safer federal loans.[52]

We recommend a number of changes to reduce unnecessary reliance on private loans, and enhance protections for private loan borrowers, including: requiring school certification of private loans; restoring fair bankruptcy treatment for private loan borrowers; and encouraging community colleges to participate in the federal loan program. For example, California now

requires colleges to clearly indicate if they do not offer federal loans, disclose the average federal and private loan debt of their graduates, and inform students of any untapped federal aid eligibility before certifying any private loan.[53] Federal legislation from the 114th Congress would require school certification of private loans and other consumer protections.[54]

Simplify and Better Target Higher Education Tax Benefits

There is bipartisan agreement that higher education tax benefits are overly complex, and their benefits poorly timed and regressive. We recommend streamlining existing education tax benefits by improving the American Opportunity Tax Credit (AOTC) and eliminating benefits that are less effective or targeted, such as the Tuition and Fees Deduction and Lifetime Learning Credit. We also recommend eliminating the taxation of Pell Grants, an unnecessary complexity that keeps many students from accessing tax benefits they qualify for. Additionally, we recommend eliminating the taxation of forgiven federal student loan debt, regardless of the reason it has been discharged. Currently, loan balances discharged after 10 years of payments under the Public Service Loan Forgiveness program (PSLF) are not treated as taxable income. But balances discharged after 20 or 25 years of responsible payments in an income-driven repayment (IDR) plan or due to death or permanent disability are treated as taxable income.[55] This disparate tax treatment is inequitable and confusing, and creates a potentially unaffordable tax liability that disproportionately impacts low-income borrowers.

METHODOLOGY: WHERE THE NUMBERS COME FROM AND HOW WE USE THEM

Several organizations conduct annual surveys of colleges that include questions about student loan debt, including *U.S. News & World Report*, Peterson's (publisher of its own college guides), and the College Board. To make the process easier for colleges, these organizations use questions from a shared survey instrument, called the Common Data Set (CDS). Despite the name "Common Data Set," there is no actual repository or "set" of data. Each surveyor conducts, follows up, and reviews the results of its own survey independently. For this analysis, we licensed and used the data from Peterson's.[56]

This section of the Common Data Set 2016-2017 was used to collect student debt data for the Class of 2016:

Note: These are the graduates and loan types to include and exclude in order to fill out CDS H4 and H5.

Include:

* 2016 undergraduate class: all students who started at your institution as first-time students and received a bachelor's degree between July 1, 2015 and June 30, 2016.
* only loans made to students who borrowed while enrolled at your institution.
* co-signed loans.

Exclude:

* students who transferred in.
* money borrowed at other institutions.
* parent loans.
* students who did not graduate or who graduated with another degree or certificate (but no bachelor's degree).

H4. Provide the number of students in the 2016 undergraduate class who started at your institution as first-time students and received a bachelor's degree between July 1, 2015 and June 30, 2016. Exclude students who transferred into your institution. _____

H5. Number and percent of students in class (defined in H4 above) borrowing from federal, non-federal, and any loan sources, and the average (or mean) amount borrowed. NOTE: The "Average per-undergraduate-borrower cumulative principal borrowed," is designed to provide better information about student borrowing from federal and nonfederal (institutional, state, commercial) sources. The numbers, percentages, and averages for each row should be based only on the loan source specified for the particular row. For example, the federal loans average (row b) should only be the cumulative average of federal loans and the private loans average (row e) should only be the cumulative average of private loans.

Source/ Type of Loan	Number in the class (defined in H4 above) who borrowed from the types of loans specified in the first column	Percent of the class (defined above) who borrowed from the types of loans specified in the first column (nearest 1%)	Average per-undergraduate-borrower cumulative principal borrowed from the types of loans specified in the first column (nearest $1)
a) Any loan program: Federal Perkins, Federal Stafford Subsidized and Unsubsidized, institutional, state, private loans that your institution is aware of, etc. Include both Federal Direct Student Loans and Federal Family Education Loans.		%	$
b) Federal loan programs: Federal Perkins, Federal Stafford Subsidized and Unsubsidized. Include both Federal Direct Student Loans and Federal Family Education Loans.		%	$
c) Institutional loan programs.		%	$
d) State loan programs.		%	$
e) Private alternative loans made by a bank or lender.		%	$

We calculated per capita overall debt — the average debt across all graduates whether they borrowed or not — by multiplying the percent with debt by the average debt; per capita federal debt by multiplying the percent with federal debt by the average federal debt; and per capita nonfederal debt by subtracting per capita federal debt from per capita debt. The proportion of debt that is nonfederal is calculated as the per capita nonfederal debt divided by the per capita debt.

Except where otherwise noted, in this report the term "colleges" refers to public four-year and nonprofit four-year institutions of higher education that granted bachelor's degrees during the 2015-16 year and are located in the 50 states plus the District of Columbia.

DATA LIMITATIONS

There are several reasons why CDS data (such as the college-level data from Peterson's) provide an incomplete picture of the debt levels of graduating seniors. Although the CDS questions ask colleges to report cumulative debt from both federal and private loans, colleges may not be aware of all the private loans their students carry. The CDS questions also instruct colleges to exclude transfer students and the debt those students carried in. In addition, because the survey is voluntary and not audited, colleges may actually have a disincentive for honest and full reporting. Colleges that accurately calculate and report each year's debt figures rightfully complain that other colleges may have students with higher average debt but fail to update their figures, under-report actual debt levels, or never report figures at all. Additionally, very few for-profit colleges report debt data through CDS, and national data show that borrowing levels at for-profit colleges are, on average, much higher than borrowing levels at other types of colleges. See page 4 for more about for-profit colleges.

Despite the limitations of the CDS data, they are the only data available that show average cumulative student debt levels for bachelor's degree recipients, including both federal and private loans, every year and at the college level. While far from perfect, CDS data are still useful for illustrating the variations in student debt across states and colleges.

WHAT DATA ARE INCLUDED IN THE STATE AVERAGES?

Our state-level figures are based on the 1,055 public and nonprofit four-year colleges that reported the number of graduating students in the Class of 2016 with loans, the percent of graduates with debt, and the average debt of those who borrowed, and reported in the Peterson's Undergraduate Financial Aid Survey that they awarded bachelor's degrees for the Class of 2016.[57] These colleges represent 52 percent of all public and nonprofit four-year colleges that granted bachelor's degrees and 78 percent of all bachelor's degree recipients in these sectors in 2015-16.[58] Nonprofit colleges compose 60 percent of the colleges with usable data, similar to the share they make up of public and nonprofit four-year bachelor's degree-granting colleges combined (67%).

We did not calculate state averages when the usable cases with student debt data covered less than 30 percent of bachelor's degree recipients in the Class of 2016. We weight the state averages according to the number of borrowers reported in the Peterson's Undergraduate Financial Aid Survey.

The state averages and rankings in this report are not directly comparable to averages in previous years' reports due to changes in which colleges in each state report data each year, revisions to the underlying data submitted by colleges, and changes in methodology.

ENDNOTES

[1] Note that the data used here and throughout this report include only student loans and do not include federal Parent PLUS loans, which parents of dependent undergraduates can use to cover any college costs not already covered by other aid.

[2] Unless otherwise noted, only colleges that reported average debt, number with debt, and percent with debt for the Class of 2016 and reported in the Peterson's Undergraduate Financial Aid Survey at least 100 bachelor's degree recipients in 2015-16 are included in the data about student debt at colleges in this report.

[3] The state averages and rankings in this report are not directly comparable to those in previous years' reports due to changes in which colleges in each state report data each year, revisions to the underlying data submitted by colleges, and changes in methodology.

[4] These regions are as defined in: U.S. Census Bureau. *Census regions and divisions with State FIPS Codes*. http://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf. Accessed September 7, 2017.

[5] See *What Data are Included in the State Averages?* on page 20.

[6] For more on the difficulties borrowers face in repaying private loans, see Consumer Financial Protection Bureau (CFPB). 2015. *Annual Report of the CFPB Student Loan Ombudsman*. http://bit.ly/1joybQj.

[7] See TICAS. 2016. *Student Debt and the Class of 2015*. https://ticas.org/sites/default/files/pub_files/classof2015.pdf. As discussed in more detail in *A Note About Student Debt Averages Nationwide* on page 2, we will update this national figure after the U.S. Department of Education releases the next set of nationally representative data from the National Postsecondary Student Aid Study (NPSAS).

[8] Calculations by TICAS on data from the U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS) 2012. These are the most recent data available that show the share of graduates with private loans and the average private loan debt of those who have such debt.

[9] Ibid.

[10] For example, Wells Fargo advertised fixed rates up to 14.24% for the Wells Fargo Student Loan for Career and Community Colleges: https://wfefs.wellsfargo.com/terms/TodaysRates. Accessed September 2, 2017.

[11] Calculations by TICAS on data from the U.S. Department of Education, NPSAS 2012. The term "private loans" is defined here to mean bank and lender-originated loans only.

[12] TICAS. 2011. *Critical Choices: How Colleges Can Help Students and Families Make Better Decisions about Private Loans*. https://ticas.org/content/pub/critical-choices.

[13] MeasureOne. 2017. *MeasureOne Webinar: Private Student Loan Market Trends & Insights*. http://bit.ly/2xgZztq.

[14] Consumer Financial Protection Bureau and U.S. Department of Education. 2012. *Private Student Loans*. http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf. "Private loans" refer here to nonfederal loans from banks and lenders made to undergraduates only.

[15] Calculations are limited to public and nonprofit four-year colleges and focus on the schools with the highest per capita private loan borrowing amounts.

[16] Calculations are limited to public and nonprofit four-year colleges.

[17] For more on state loan programs, see TICAS. 2016. *Student Debt and the Class of 2015*. https://ticas.org/sites/default/files/pub_files/classof2015.pdf.

[18] U.S. Department of Education. 2017. *Data Documentation for College Scorecard (Version: August 2017)*. https://collegescorecard.ed.gov/assets/FullDataDocumentation.pdf. Accessed September 2, 2017.

[19] University of California. 2016. *Accountability Report 2016*. Indicator 2.5.3: Student loan debt burden of graduating seniors by parent income, Universitywide, 1999-2000 to 2014-15. http://bit.ly/2vVaPIt.

[20] Wisconsin HOPE Lab. 2015. *Information, Accountability, and College Costs: The Need for Standardized Living Cost Calculations in Higher Education*. http://bit.ly/2y1kA9u.

[21] For more on TICAS' research and resources on net price calculators, visit https://ticas.org/net-price-calculator-publications-and-resources.

[22] National Association of State Student Grant and Aid Programs (NASSGAP). 2016. *46th Annual Survey Report on State-Sponsored Student Financial Aid: 2014-15 Academic Year*. http://www.nassgap.org/survey/NASSGAP_Report_14-15_final.pdf.

[23] Pennsylvania Department of Revenue. 2014. *Pennsylvania Personal Income Tax Guide*. http://bit.ly/2ehbSyt.

[24] See California Education Code 69432.7. http://bit.ly/2vQoG2L.

[25] Calculations by TICAS using data from the U.S. Department of Education, Federal Student Aid Data Center, "Federal Student Aid Portfolio Summary," "Direct Loan Portfolio by Loan Status," and "Direct Loan Portfolio by Delinquency Status." https://studentaid.ed.gov/sa/about/data-center/student/portfolio. Accessed April 21, 2017. Figures represent Direct Loan borrowers whose loans are more than 30 days delinquent, and borrowers who have Direct Loans in different stages of delinquency or default are counted more than once.

[26] College costs defined here as average total in-state tuition, fees, room & board costs at public four-year colleges. Calculations by TICAS on data from the College Board, *Trends in College Pricing 2016*, Table 2, http://bit.ly/2j61cQh, and U.S. Department of Education data on the maximum Pell Grant.

[27] Calculations by TICAS on 12-month enrollment data for 2015-16 from the U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS).

[28] Center on Budget and Policy Priorities. 2017. *A Lost Decade in Higher Education Funding State Cuts Have Driven Up Tuition and Reduced Quality*. http://bit.ly/2vXYJAN.

[29] TICAS. Blog Post. July 28, 2015. "Tuition Free and Debt Free are Not the Same Thing." https://ticas.org/blog/tuition-free-and-debt-free-are-not-same-thing.

[30] Coalition letter to Sen. Alexander, Rep. Kline, Sen. Murray, and Rep. Scott. May 19, 2015. http://bit.ly/2y7g2yd.

[31] TICAS. Summary of Income-Driven Repayment Plans. http://bit.ly/2cwFk0g.

[32] For more information, see TICAS. 2017. *Make It Simple, Keep It Fair: A Proposal to Streamline and Improve Income-Driven Repayment of Federal Student Loans*. http://bit.ly/2x3jeMW.

[33] On October 1, 2015, a bipartisan group of 32 lawmakers urged the Departments of Education and Treasury to automate the annual income recertification process for

income-driven plans: http://bit.ly/2cU8zsF. On December 16, a bipartisan group of five Senators did the same: http://bit.ly/2wYN5ae. On January 17, 2017, the Departments of Education and Treasury announced progress toward putting a multi-year consent system in place: http://bit.ly/2gmni1o. And in July 2017 a bipartisan bill was re-introduced that would require the two agencies to automate the process: Rep. Bonamici, Rep. Costello, Rep. Meehan, and Rep. Moulton. Press Release. August 3, 2017. "Bonamici, Costello, Moulton, Meehan Introduce Bipartisan Effort to Prevent Student Loan Defaults." http://bit.ly/2wVPfrp.

[34] U.S. Department of Education. "Sample Data on IDR Recertification Rates for ED-Held Loans." Shared at a negotiated rulemaking session on April 1, 2015. http://bit.ly/2eXvKE0.

[35] For more information, see The White House, National Science and Technology Council. 2016. *Social and Behavioral Sciences Team 2016 Annual Report*. http://bit.ly/2cU2M86.

[36] U.S. Department of the Treasury, U.S. Department of Education, and Consumer Financial Protection Bureau. September 29, 2015. *Joint Statement of Principles on Student Loan Servicing*. http://bit.ly/1QJXUwz.

[37] U.S. Department of Education. July 20, 2016. "Policy Direction on Federal Student Loan Servicing." http://www2.ed.gov/documents/press-releases/loan-servicing-policy-memo.pdf.

[38] U.S. Department of Education. April 11, 2017. Letter from Secretary Betsy DeVos to Chief Operating Officer James Runcie regarding the Student Loan Servicer Recompete. http://bit.ly/2omTMfA.

[39] For more information, see the U.S. Department of Education. College Scorecard. https://collegescorecard.ed.gov/. Accessed August 29, 2017.

[40] Coalition letter to Sen. Alexander and Sen. Murray. April 24, 2015. http://bit.ly/2hubYQF.

[41] Coalition letter to President-elect Donald Trump and Presidential Transition Team. December 14, 2016. http://bit.ly/2hlvqRL. See also the coalition letter in support of the bipartisan, bicameral College Transparency Act. May 23, 2017. http://bit.ly/2wSQmby.

[42] Ravipati, Sri. October 6, 2016. "A Million Students Push for Postsecondary Data Reform." *Campus Technology*. http://bit.ly/2gWez5b.

[43] Rep. Love. Press Release. May 21, 2015. "Rep. Mia Love Introduces Her First Bill." http://bit.ly/2iMeENR; Rep. Mitchell. Press Release. May 17, 2017. "Mitchell and Polis Introduce the College Transparency Act of 2017." http://bit.ly/2wJsruB; Sen. Hatch. Press Release. May 18, 2017. "Hatch Introduces Bipartisan College Transparency Act to Improve Reporting of Student Outcomes." http://bit.ly/2vru4NA.

[44] TICAS. 2012. *Adding It All Up 2012: Are College Net Price Calculators Easy to Find, Use, and Compare?* http://www.ticas.org/pub_view.php?idx=859.

[45] Sen. Grassley and Sen. Franken. Press Release. April 11, 2017. "Grassley, Franken Re-introduce Bipartisan Bills to Help Students Understand Cost of College, Make Cost Comparisons Easier." http://bit.ly/2xBmJbA.

[46] For more information, see U.S. Department of Education. Financial Aid Shopping Sheet. http://www2.ed.gov/policy/highered/guid/aid-offer/index.html. As of July 20, 2017, 3,247 schools were using the Shopping Sheet, 43% of which used it only for students who are veterans. See "Institutions that have adopted the Shopping Sheet." Accessed August 30, 2017.

[47] Sen. Grassley and Sen. Franken. Press Release. April 11, 2017. "Grassley, Franken Re-introduce Bipartisan Bills to Help Students Understand Cost of College, Make Cost Comparisons Easier." http://bit.ly/2xBmJbA.

[48] See, for example, U.S. House of Representatives Committee on Education and the Workforce. 2016. *Bill Summary: The Empowering Students Through Enhanced Financial Counseling Act*. http://bit.ly/2hxHm3Y. See also: Sen. Grassley. Press Release. July 25, 2017. "Grassley, Ernst, Franken Introduce Know Before You Owe Federal Student Loan Act of 2017." http://bit.ly/2vJVGsL.

[49] For more information, see TICAS. 2017. *A New Approach to College Risk Sharing: Enhancing Accountability to Improve Student Outcomes*. http://bit.ly/2fkN9qN.

[50] See, for example, U.S. House of Representatives Committee on Education and the Workforce. 2016. *Bill Summary: The Empowering Students Through Enhanced Financial Counseling Act*. http://bit.ly/2hxHm3Y.

[51] See TICAS. Private Student Loans Publications and Resources. https://ticas.org/content/posd/private-loan-publications-and-resources.

[52] Calculations by TICAS on data from the U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS) 2012. For more information about private loans, see TICAS. 2016. *Private Loans: Facts and Trends*. http://www.ticas.org/files/pub/private_loan_facts_trends.pdf.

[53] California Assembly Bill No. 721 (2015-16 reg. session). Chaptered October 8, 2015. http://bit.ly/2wr60Yq.

[54] Sen. Durbin, Sen. Reed, and Sen. Franken. Press Release. September 16, 2016. "As Student Loan Debt Tops $1 Trillion, Senators Pushes For Improved Protections For Student Borrowers." http://bit.ly/2cQQ3D9.

[55] TICAS. July 17, 2017. Recommendations to Sen. Hatch on reforming federal education tax benefits. http://bit.ly/2y12inU.

[56] Peterson's Undergraduate Financial Aid and Undergraduate Databases, copyright 2017 Peterson's, a Nelnet company. All rights reserved.

[57] Peterson's Undergraduate Financial Aid and Undergraduate Databases, copyright 2017 Peterson's, a Nelnet company. All rights reserved. Note that our state-level figures do not include colleges that reported no bachelor's degree recipients to the U.S. Department of Education, Integrated Postsecondary Education System (IPEDS), http://nces.ed.gov/ipeds/, accessed August 3, 2017.

[58] Out of the 2,402 public four-year and nonprofit four-year colleges in the federal Integrated Postsecondary Education Data System (IPEDS) for 2015-16, 2,025 reported in IPEDS or the Peterson's Undergraduate Financial Aid Survey that they granted bachelor's degrees during the 2015-16 year, with 1,802,396 bachelor's degree recipients (IPEDS) in the Class of 2016. Of these 2,025 colleges, 1,055 colleges are included in our state averages, with a total of 1,409,918 bachelor's degree recipients (IPEDS) in the Class of 2016. The remaining 970 colleges could not be matched to a specific entry in the Peterson's dataset, reported no bachelor's degree recipients to IPEDS, did not respond to the most recent Peterson's Undergraduate Financial Aid survey, or responded to the survey, but did not report the number of graduating students in the Class of 2016 with loans, the percent of graduates with debt, and the average debt of those who borrowed for the Class of 2016.

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