



NEW YORK STATE SENATOR

John J. Bonacic

## Senator John Bonacic and Senate Republicans Propose College Affordability Plan

JOHN J. BONACIC May 18, 2012

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### **SENATOR JOHN BONACIC AND SENATE REPUBLICANS PROPOSE COLLEGE AFFORDABILITY PLAN**

**Making College Affordable for Middle Class Families Through: Increased Tuition Tax Breaks; Lower Student Loan Interest Rates; Tuition Pre-Payment; Truth-in-Lending for Student Loans**

Senator John Bonacic and members of the Senate Majority Conference today outlined a plan to help middle-class families and students afford the rapidly increasing cost of a college education. The Senate's 2012 College Affordability Plan would help parents save for higher education for their children and give students and families access to low interest student

loans, as well as clear information about the size of the loan debt they are taking on.

In addition, the plan would encourage young New Yorkers to stay in the Empire State to begin their careers by creating a new “Stay-In-New-York” tax credit. This would provide up to \$12,000 in tax relief over four years for students who graduate on time or early from a college in New York, perform community service work and stay and work in New York for at least four years.

“Investing in the economic future of New York State is one of our top priorities,” said Senator John Bonacic. “The College Affordability Plan will relieve some of the financial burden students today are faced with, provide an incentive for students to continue their education in New York as well as encourage them to start their careers here.”

Highlights of the College Affordability Plan include:

- > Doubling the existing tuition tax deduction from \$10,000 to \$20,000;
- > Doubling the maximum tuition tax credit from \$400 to \$800;
- > Creating a four-year, \$12,000 “Stay-in-New-York” tax credit for people who graduate from a college in New York in four years or less; perform volunteer community service and stay and work in New York for four years. Combined with existing credits, graduates could get up to \$15,200 in total tax relief;
- > Establish a new \$100 million Linked Deposit Student Loan program to make low interest student loans available to middle class families. Loan interest rates could be cut in half;
- > Enabling parents could pre-pay current tuition for a SUNY or CUNY school; and
- > Designate the Department of Financial Services to serve as a “truth-in-lending” clearinghouse for reliable information on college loans and interest rates.

Information from The Project on Student Debt (annual surveys conducted by U.S. News & World Report, the College Board and Peterson’s College Guide), illustrate the financial problems created by rising tuition costs and the debt owed to pay off those costs.

In 2010, graduates from colleges in New York had an average loan debt of \$26,271, the 10<sup>th</sup> highest amount in the country. Just six years ago in 2005-06, the average loan for New York schools was \$19,249 and New York ranked 20<sup>th</sup> in the nation. Sixty-one percent of students who attend college in New York have college loan debts.

Nationally, college tuitions have increased well beyond the rate of inflation, income and health care costs. It's estimated that by 2016, the average cost of a public college will have more than doubled in 15 years. The amount of student debt is now more than one trillion dollars, surpassing the amount owed on credit cards and auto loans.

"We cannot continue on this path for our students, they need help now," said Senator Bonacic.

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