



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves 'College Affordability Plan'

THOMAS F. O'MARA June 5, 2012

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Albany, N.Y., June 5—The New York State Senate has unanimously approved legislation called the “College Affordability Plan” that Senator Tom O’Mara (R-C, Big Flats) said proposes state-level actions to try to find new ways to ease the burden of college costs for students and families.

O'Mara recently highlighted reports showing that while most Americans believe that a college degree is a key to future economic success, many of today's college graduates are unemployed or underemployed. A Gallup Poll last August showed that nearly 70% of Americans strongly agree or agree that a college degree is "essential for getting a good job in this country." A recent Associated Press analysis showed that more than half of all college graduates are unemployed or underemployed – and at the same time most of them face significant college loan debt.

"It's one of the key struggles for the next generation," said O'Mara. "We can't overlook today's reality that high college costs, looming future debt and an unpredictable economic outlook have combined to create a time of deep uncertainty for many young people and their families. The Senate's "College Affordability Plan" would address it on numerous fronts."

Sixty-one percent of students who attend college in New York leave school in debt. In 2010, graduates from New York colleges had an average loan debt of \$26,271, 10th highest in the nation. Five years ago the average debt for New York schools was 20th highest in the country. Nationally, college tuitions have increased well beyond the rate of inflation, income and health care costs. Estimates are 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 \$1 trillion, surpassing the amount owed on credit cards and auto loans.

The proposed "College Affordability Plan" (S.7449) is a diverse strategy that seeks to ease the cost burden for students and families alike through numerous initiatives including:

- > 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.

“There are no quick or easy solutions. But the discussion needs to be ongoing at every level of government, as well among colleges and universities themselves. The overriding point is that we still have plenty of reasons to be hopeful for the next generation and the ability that young Americans have always had to pursue opportunities and define success in their own ways. But there’s work to do to preserve and strengthen that future,” said O’Mara.

[Read more on the Senate's COLlege Affordability Plan...](#)