



The Republican Budget Would Increase Monthly Student Loan Payments for Millions of Future Borrowers

The Republican budget rigs the rules in favor of special interests, showering tax breaks on corporations while simultaneously tightening the squeeze on middle class and working families. One of the starkest consequences of these skewed priorities is that the Republican budget would actually increase the burden of college debt on millions of Americans.

BACKGROUND

At the same time that the Republican budget paves the way for the kind of tax plan they have offered in the past – giving millionaires a \$50,000 tax cut – the Republican budget would increase monthly student loan payments for millions of hardworking college graduates. Even as the cost of college continues to skyrocket, rising 42% over the last ten years at in-state public four-year universities after adjusting for inflation, the Republican Budget would cut current policy support for higher education by approximately \$200 billion over ten years. Although the conference agreement does not specify which higher education programs it would cut, during the House Budget Committee mark-up, Republican Budget Committee staff testified that the budget framework would cut the expansion of income-based repayment programs, including PAYE, as well as other programs. [White House, [3/17/15](#)]; College Board, [2014](#); Senate Budget Committee, 5/15; House Budget Committee, [3/18/15](#)]

- **Pay As You Earn (PAYE):** Under this program, monthly student loan payments are capped at 10% of discretionary income and any remaining debt after 20 years of repayment is forgiven. But under the Republican budget that would end this expanded program, a worker newly enrolled in the PAYE program who owes \$29,000 in federal student loans and earns \$35,000 a year would have an initial monthly payment increase by nearly 50%, from \$145 a month under the current program to \$217 a month under the reduced program. [TICAS, [3/19/15](#); Senate Budget Committee, 4/15; Department of Education, 4/15; DPCC Calculations, 4/15]
- **Public Service Loan Forgiveness Program (PSLF):** The House Budget Committee staff also indicated that the budget framework would repeal PSLF, which forgives any remaining student loan debt for borrowers who work in public service, like teachers, after 10 cumulative years of public service. The Department of Education estimates that through fiscal year 2025, approximately 600,000 borrowers will qualify for PSLF. [TICAS, [3/19/15](#); Senate Budget Committee, 4/15; Department of Education, 4/15; House Budget Committee, [3/18/15](#)]

State-by-state data on the scope of the student aid the Republican budget would eliminate can be found below:

State	Borrowers Currently Participating in IBR and PAYE	Total Outstanding Student Loan Debt for IBR and PAYE Participants	Average Student Loan Debt for All Borrowers	Increase in Tuition at Public 4-Year Institutions (over 5 Years)
Alabama	37,000	\$1,644,496,000	\$28,895	32%
Alaska	4,000	\$271,691,000	\$28,570	13%
Arizona	51,000	\$2,680,470,000	\$22,253	43%
Arkansas	22,000	\$869,392,000	\$25,375	14%
California	237,000	\$13,705,209,000	\$20,340	27%
Colorado	54,000	\$2,876,606,000	\$24,520	37%
Connecticut	23,000	\$1,175,600,000	\$30,191	14%
Delaware	6,000	\$351,534,000	\$32,571	15%
District of Columbia	12,000	\$1,118,503,000	\$22,048	27%
Florida	172,000	\$8,413,838,000	\$24,017	33%
Georgia	99,000	\$5,002,906,000	\$24,517	46%
Hawaii	8,000	\$453,266,000	\$22,785	33%
Idaho	18,000	\$805,861,000	\$26,622	22%
Illinois	109,000	\$5,931,282,000	\$28,543	11%
Indiana	62,000	\$2,602,582,000	\$28,466	7%
Iowa	32,000	\$1,376,558,000	\$29,370	6%
Kansas	26,000	\$1,180,589,000	\$26,229	16%
Kentucky	40,000	\$1,915,126,000	\$24,693	17%
Louisiana	31,000	\$1,644,771,000	\$23,358	54%
Maine	13,000	\$603,233,000	\$29,934	0%
Maryland	47,000	\$3,015,351,000	\$26,349	5%
Massachusetts	52,000	\$3,039,925,000	\$28,565	7%
Michigan	104,000	\$5,116,551,000	\$29,583	10%
Minnesota	55,000	\$2,659,776,000	\$30,894	8%
Mississippi	26,000	\$1,053,988,000	\$27,571	25%
Missouri	58,000	\$2,739,730,000	\$24,957	5%
Montana	9,000	\$441,268,000	\$27,568	3%
Nebraska	16,000	\$712,904,000	\$26,490	7%
Nevada	18,000	\$909,258,000	\$21,666	28%
New Hampshire	10,000	\$504,612,000	\$32,795	20%
New Jersey	56,000	\$2,943,156,000	\$28,109	6%
New Mexico	15,000	\$772,384,000	\$18,656	17%
New York	165,000	\$9,406,972,000	\$26,381	15%
North Carolina	80,000	\$3,910,661,000	\$24,319	33%
North Dakota	6,000	\$262,378,000	n/a	7%
Ohio	130,000	\$5,736,465,000	\$29,090	7%
Oklahoma	27,000	\$1,249,124,000	\$22,174	15%
Oregon	48,000	\$2,562,329,000	\$25,577	17%
Pennsylvania	110,000	\$5,798,092,000	\$32,528	11%
Rhode Island	8,000	\$424,089,000	\$31,561	16%
South Carolina	45,000	\$2,126,916,000	\$29,092	9%
South Dakota	8,000	\$310,713,000	\$25,750	15%

Tennessee	54,000	\$2,559,269,000	\$24,585	27%
Texas	177,000	\$8,228,631,000	\$25,244	9%
Utah	19,000	\$946,813,000	\$22,418	22%
Vermont	7,000	\$382,034,000	\$27,318	8%
Virginia	63,000	\$3,578,539,000	\$25,780	24%
Washington	52,000	\$2,832,566,000	\$24,418	34%
West Virginia	15,000	\$677,153,000	\$27,320	21%
Wisconsin	50,000	\$2,224,180,000	\$28,128	11%
Wyoming	3,000	\$199,046,000	\$22,879	13%

Sources: Department of Education 4/15; Senate Budget Committee, 4/15; TICAS, [2014](#); College Board, [10/14](#)