Tackling the Student Debt Crisis

By Natalie Higgins, PHENOM Executive Director

On April 2, 2015, UMass Boston hosted a forum on “Tackling the Student Debt Crisis,” with Senator Elizabeth Warren and Representative Elijah Cummings. It was one in a series of forums held by the Middle Class Prosperity Project launched by Sen. Warren and Rep. Cummings. PHENOM has supported the Senator’s fight against the student debt crisis and held a rally in September 2014 in downtown Boston in support of Senator Warren’s Student Loan Refinance Bill.

The forum consisted of two panels, the first filled with people struggling with student loan debt and the second with experts on the student loan debt crisis. A number of themes emerged.

First, public higher education, which used to be the “affordable and accessible” option, continues to lose that status as state and federal funding is cut.

Second, as students take on mountains of debt, they are forced to drop out, reconsider their career paths, or put off graduate school, because of the burden student loans are putting on them and their families.

Third, the current system of student loan servicing is not working, and often borrowers do not know about assistance programs available to them.

One million more borrowers fell behind on their student loan payments and student loan debt has risen to $1.3 trillion since 2014 when Senator Warren first introduced the Student Loan Refinancing legislation.

Representative Cummings, a long-
PHENOM’s State Legislative Agenda

As the new state legislative session is kicking off, there are many proposals PHENOM is excited to support because they will promote accessible and affordable, quality public higher education in the Commonwealth.

PHENOM’s Finish Line Grant proposal would cover tuition and fees for one year for students who have completed a year already, and whose family income is less than the median in Massachusetts.

Representative Sannicandro and Senator Moore introduced a bill that would waive tuition and curriculum fees at the Community Colleges.

Senator Moore and Representative Sannicandro have also filed “An Act relative to strengthening and expanding affordable, quality higher education opportunities for residents of the Commonwealth.” It has thirty-four sections and addresses issues such as ensuring adequate funding for public higher education, in addition to increased financial aid, and student debt relief.

Other important issues that have emerged in the current legislative session are investments in higher education faculty, in-state tuition for undocumented immigrants, systems for transfer credits, and open source textbooks.

Representative Provost filed An Act to support educational opportunity for all, which would place a one-percent excise tax on endowment funds over $1 billion at private institutions of higher education. This bill could raise more than $544 million per year for all of public education in Massachusetts, including higher education.

PHENOM is currently working with our Campus Chapters to develop a long-term legislative advocacy campaign with monthly actions and plans to testify at State House hearings. If you are interested in getting involved with PHENOM’s legislative advocacy efforts, contact us at phenom@phenomonline.org.

How Do I Start a PHENOM Campus Chapter?

PHENOM Campus Chapters are an essential part of PHENOM’s work, strengthening relationships between students, staff, faculty, and the larger community on individual campuses, while creating a statewide network of advocates.

To start a Chapter on your campus, email us at phenom@phenomonline.org.

We would like to thank the Massachusetts Teachers Association for a major grant enabling PHENOM to launch new campus chapters.

Campus Organizers:

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PHENOM responds to President Obama’s Free Community College Proposal

By Natalie Higgins, PHENOM’s Executive Director

President Obama’s free community college proposal put affordability and accessibility of public higher education on the national agenda in a big way. PHENOM has been organizing around affordable and accessible high quality public higher education since its beginning. And we know that removing tuition and fees also removes so many barriers—from navigating financial aid to qualifying for Pell Grants, to affording transportation and childcare. But we also know, after decades of state disinvestment, the ability of these public colleges to provide quality education has been strained.

With this national push for accessible and affordable—i.e. free—community college, we can’t lose sight of our goal of quality public higher education in the Commonwealth. Free or lower cost education does not guarantee that students will be prepared to meet career challenges. Success depends on quality of instruction and academic support, assured by adequate staffing levels and salaries high enough to attract talented faculty and staff. There must also be consistent funding for campuses to maintain buildings and to supply equipment for classrooms and labs.

PHENOM advocates for two years of free education across all three segments of public higher education in Massachusetts. This is, in part, to make sure that community colleges don’t become a second-class track for low-income, minority, and first generation students.

This could truly be a watershed moment in public higher education, moving us closer to a place where higher education is no longer a privilege, but a right.

Who’s Who at the State House

PHENOM works with a “Who’s Who” of important players in state government to keep public higher education in view.

The JOINT COMMITTEE ON HIGHER EDUCATION is an official committee of the State Legislature, with members from both the House and the Senate. Currently chaired by Rep. Tom Sannicandro (D-Ashland) and Sen. Michael Moore (D-Millbury), it proposes and reviews legislation, holds hearings, and makes recommendations to the Legislature on all bills related to higher education (see article on page 2).

The PUBLIC HIGHER EDUCATION CAUCUS is not an official body but consists of legislators who have made public higher education a priority in their work. Currently chaired by Rep. Sean Garballey (D-Arlington) and Sen. Eileen Donoghue (D-Lowell), the Caucus has worked closely with PHENOM in hosting speakers, advocating for increased funding and other bills, arranging tours of campuses for legislators, and disseminating information to legislators.

The HIGHER EDUCATION SUMMIT, was convened by PHENOM in 2011 and has grown to include representatives from the administrations of the Community Colleges, the State Universities, and the UMass system. The public higher education unions participate, along with student groups, community organizations, and legislative allies. This group meets monthly at the State House, and unites advocates around a common agenda. While member groups may have additional concerns of their own, unity around issues related to campus funding, financial aid, and building funds has led to important victories—starting with the allocation of a portion of gaming revenue to higher education, and more recently including fee freezes and increased funding through the 50/50 plan.

All three groups will play important roles in the budget process.

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visiting their legislators, they presented their letters to Education Secretary James Peyser and engaged in a vigorous discussion with him (more on p.4).

Soon afterwards, word came that Governor Baker was holding a press conference on his proposed budget. A group of about 50 spontaneously went to find the Governor and the press. A dozen people made it into the crowded briefing room to be a visible presence, holding up signs, while others picketed outside. For a brief time they chanted “No cuts. No fees. Education should be free.”

PHENOM’s work to develop coalitions to send a unified message did not stop after March 4th. The echoes of that message are reverberating, and PHENOM continues to mobilize advocates for the remainder of this year’s budget process and for the long haul.
STCC PHENOM Chapter by Juhi Dasrath

Springfield Technical Community College’s campus chapter had the great opportunity to be a part of Advocacy Day, where we addressed our concerns about making higher education more affordable and accessible for college students.

We started making waves by taking small strokes on our campus—organizing an event where students, faculty, and staff were all invited to support PHENOM by simply signing their names on a letter, which we would present to the Secretary of Education on March 4th. Our letter gained the support of over 300 campus members!

The event was a huge success which immensely encouraged students to join the new STCC PHENOM Campus Chapter on our trip to Boston.

The opportunity to present the letter to Secretary Peyser on behalf of STCC students did not only represent what we as students believe on our campus but that piece of paper was a small step which represented what ALL college students believe: Education is a right, not a privilege! Therefore there should be more steps taken to make higher education more affordable for the students working towards bettering themselves and our country. We were able to voice this at our meeting with the Secretary.

Our campus event has created ripples on other campuses throughout Massachusetts. With this momentum we are guaranteed to wake the sleeping giant and make PHENOMenal changes to the system.

Student organizer Amy Blanchette describes her activities at Bristol Community College

After such a terrible winter with so many missed classes, we decided that the Bristol Community College PHENOM Chapter could make a bigger impact by staying on campus on March 4, 2015, Public Higher Education Advocacy Day. Instead of traveling to the State House, we set up call-in stations for fellow BCC campus members. Eight students at the Fall River Campus managed tables at two locations—the Commonwealth College Center and the Library. Throughout the day, we helped 50 advocates email or call their State Representatives and State Senators. We also used this opportunity to educate the BCC campus about PHENOM and Bristol’s new campus chapter. It was tricky to get the students to listen, at times, but we saw a good amount of advocacy for the foot traffic that we had. (We made the strategic use of candy).

There will be more tabling in April, to continue targeting legislators as the FY16 budget moves through the House of Representatives and the Senate. As a student organizer, my goal is for the advocacy numbers to get stronger and stronger. A petition would be beneficial, modeled on the work of the chapter at Springfield Technical Community College, so I will be working on the language as well as upcoming action.
Student organizer Joel Spiegel describes his activities at UMass Amherst

On a cold late February day, students, faculty, and community members met up in the UMass Amherst Student Union for a teach-in. It began with a handful of powerful speakers, talking about student debt and its incredible impacts on their lives. Students told powerful stories of missing out on very important opportunities because of their student debt.

The teach-in also featured graduate student Anastasia Wilson who presented her in-depth research on the economic impacts of student debt in the Commonwealth (see "Impact: Student Debt" on page 8).

One figure that really stuck with me was that over 2.5 billion dollars of foregone consumer spending exists every year in Massachusetts. That means that people are not contributing to the economy—and in a huge way—with dollars that could grease the wheels of some of our state’s rusted industry. Not to mention countless jobs that could have been created if people with overwhelming student debt could have the money to start new businesses or make purchases in our state. It also means that there are millions of dollars in foregone tax money, funds that could provide for social services. Anastasia’s research really brings up an argument that isn’t always talked about, that we need more accessible and affordable, quality public higher education as a way to succeed financially.

In preparation for the Public Higher Education Advocacy Day on March 4th, the second half of the teach-in featured a training on how to lobby. Led by student leaders, there was a demonstration on the basics of legislative advocacy, and then participants broke into smaller groups. Each small group had a seasoned lobbyist who offered guidance. I fully believe that the teach-in helped prepare UMass participants for Advocacy Day events in Boston.

The success of the teach-in was possible because of many months of planning. Representing PHENOM along with Clare Hammonds, I participated in planning sessions along with student advocacy groups including: the Center for Education Policy Advocacy (CEPA), the UMass chapter of the Public Interest Research Group (MassPIRG), and the Student Government Association. This coalition building will be one of my biggest tools moving forward as I mobilize students on campus to fight for their right to accessible and affordable higher education.
What Does a Great Commissioner Look Like?

Richard Freeland is stepping down as Massachusetts Commissioner of Higher Education after 6 years. PHENOM saw him as an ally in the quest for increased recognition and funding for public higher education, while disagreeing with aspects of his “Vision Project” which emphasize excessive measurement and performance funding. The Boston Globe (October 21, 2014) summed up his tenure this way:

“Freeland’s crowning achievement as commissioner has been the Vision Project, a strategic agenda that outlines ways to improve the academic standing of public colleges and universities in Massachusetts, a system that falls in the middle of the pack when compared with other states. Freeland has stressed that average is not good enough. ‘I consider public higher education to be a greatly undervalued, underappreciated, and under-supported resource in a state that lives by its brains,’ he said.”

A replacement has not yet been selected, and PHENOM asked a range of people what qualities they would like to see in the next Commissioner.

• Max Page, faculty member at UMass Amherst and PHENOM Board member:
I simply want a leader who, while dealing with a million issues in public higher education, will focus intently and passionately on making some public higher education free, and, at the same time, working to achieve the most important investment to advance the quality of all our institutions: hiring full-time faculty and staff to teach and serve our students, to do research, and serve the Commonwealth. All the rest, as Hillel said, is commentary.”

• Juhi Dasrath, student organizer at Springfield Technical Community College:
He or she needs to understand that one half of higher education students attend Community College; therefore we feel it is important for the Commissioner to find more funding not only for State universities but for our Community Colleges as well. All of the goals left by Richard Freeland will not be successful without the financial resources needed to carry out each idea. We need a Commissioner ready and willing to battle and advocate for more funding for higher education students and institutions. Our society cannot flourish without the students who will later build our state after earning their degrees.

• Ruthie Liberman, Vice President of Policy, Crittenton Women’s Union:
We are looking for someone who understands the needs of non-traditional students: parents, older people, the first to attend college in their family, teen parents, the disabled. Someone who really understands the value and the challenges of the public higher education system. Someone who is committed to continuing the Vision Project and who would like to see Massachusetts offer at least two years of free higher education.

• Alexander Armand Ribeiro Nally, Student Trustee, Massachusetts College of Art and Design and PHENOM Board Member:
We need a Commissioner who understands the potential of all students from every background and across all disciplines in this Commonwealth. We need someone who understands that the successes of each individual campus across Massachusetts—

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Taking on the Corporatization of Higher Education

On March 18, 2015, PHENOM joined the Labor Resource Center at UMass Boston and Massachusetts Jobs with Justice to host an educational and action-oriented evening. The program, “Taking on the Corporatization of Higher Education” (TOCHE), was held at UMass Boston. The event’s goals were two-fold: (1) to give some basic context for the corporatization of higher education, including a basic overview of the impact of neoliberal economic policy on higher education; and (2) to introduce the actions local groups are taking to expose and reduce the corporatization of higher education.

TOCHE was MCed by a PHENOM Campus Organizer, Andriana Foiles Sifuentes, a lecturer in Sociology & Anthropology at UMass Dartmouth. Deborah Keisch gave the keynote address. She is an educational anthropologist and a founding producer of Education Radio. TOCHE also featured a panel of activists and organizations engaged in taking on corporate higher education in Massachusetts, including the Campaign for a Debt-Free Future, the Student Immigrant Movement, The Center for Education Policy and Advocacy, Adjunct Action, and PHENOM.

The event was intended to be the first of many across the state to expose the corporatization of higher education and to bring together community groups and activists combatting these changes.

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serving member of the U.S. House from Maryland’s 7th district, lamented that too many students and their families face a scary decision, when they’re forced to mortgage their future to get a college education.

This is even more problematic when you consider that the value of a college education is higher than ever—students with a college degree earn 98% more than those who do not. This is not the time to cut state and federal funding for public higher ed. As Sen. Warren said, we need to “bring back an America that believes in public higher education!”

The FY16 Republican Budget cuts PELL Grants and guts programs like Pay As You Earn (PAYE). This is a real issue for Massachusetts residents, where more than 980,000 people owe more than $24 billion in student debt. This has a direct impact on borrowers’ mental health, job choices, and ability to participate in the economy.

PHENOM is ready to work with students, legislators, families and educators to take action to let Congress know that investment in public higher education is fundamental to success of our communities and our economy.

The forum addressed important issues, but interest rates on student loans are just one problem. More importantly, reducing the cost of public higher education lessens the need to take out loans in the first place.

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the community colleges, state universities and UMass—are integral to the success of the system as a whole. Equity and social justice must be integrated into their practice as a leader, and their understanding of educational assets should include the great value of interdisciplinary programs that integrate the Arts in STEM programs (STEAM). And most of all, we need someone who understands that higher education needs to be affordable—and beneficial to the communities and families surrounding the institutions.

- Carlos Rojas-Alvarez, organizer with the Student Immigrant Movement:

We need a Commissioner of Higher Education who is committed to the immigrant communities that comprise the fabric of our state and who generate billions of dollars every year in tax and business revenue, and that means championing the right of immigrant youth to access and afford higher education. We know this can happen if we support our high schools, colleges and universities to become fully supportive and inclusive of undocumented students, and if we address the unjust and impractical higher education policies that force deserving students to pay out-of-state tuition rates and bar them from competing for essential financial aid.
Anyone concerned about student debt in our state can look up the statistic: in 2012 about 66% of students graduated with an average of $28,565 in student loan debt (in constant dollars). And the number keeps growing!

That number is large enough to be alarming in and of itself, and suggests that financial aid and state support for higher education may be falling short of making public higher education affordable and accessible to its residents. But, looking deeper, there is significant variation in student debt levels across the state between different higher education institutions.

In a forthcoming report, I find that unlike most other states in the country, Massachusetts four-year public college and university students are more likely to graduate with student debt than their counterparts at private schools. According to data from the Institute for College Access and Success, in 2013 74% of Massachusetts public four-year college and university graduates left with student debt, versus just 60% nationally. Only 61% of students at private non-profit institutions in Massachusetts graduated with student debt—a significantly lower proportion than at our public colleges and universities. This is especially important because 9 out of 10 in-state public college graduates stay in the Commonwealth after graduation, according to the Massachusetts Department of Higher Education.

However, I discovered that private institutions with higher proportions of in-state students tend to leave their students saddled with greater debt loads than their more competitive and prestigious counterparts. Similarly, these graduates will likely stay in Massachusetts after graduation.

The trends in student debt suggest that a large portion of debt accumulated by Massachusetts students will continue to impact our state economy in the long-term. In my report, I estimate the impact of these mounting debt loads to show the dollar value of forgone consumer spending and savings, as a result of this debt. In this analysis, I estimate that the 967,000 individuals with outstanding student debt in Massachusetts spend about $234 million each month on student loan payments alone. That means about $2.5 billion per year is forgone in consumer spending, savings, and investment each year! A whopping total, and a large drag on our state’s economy and students’ future prosperity.