

# AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

## PRESS RELEASE 603#

### American Politicians Promise ‘Free’ Education for the Presidential Election while Abbott and Pyne Seek to Load our Students with Debt

The Abbott/Pyne Government is sadly out of step with other developed countries as they seek to privatise our education systems and load the next generation with back breaking debts.

Senator Elizabeth Warren and Presidential Candidate Hilary Clinton are promising ‘debt-free’ college education as a central part of their election platform at the same time as Australian governments are dismantling our free education systems and attempting to place our next generation in life-long debt.



Senator Elizabeth Warren at a news conference on Capitol Hill on Wednesday. Credit Doug Mills/The New York Times

Senator Elizabeth Warren took the Department of Education to task on Wednesday for what she called a lack of transparency and failure to protect students from dangerous student loan servicers and for-profit colleges.

Ms. Warren, a Massachusetts Democrat, called for external checks to be placed on the department, including moving the student loan complaint system from the department to the Consumer Financial Protection Bureau and granting borrowers the right to take legal action against loan contractors.

“We don’t trust a bank to handle its own complaints, and we shouldn’t trust the federal student loan program to do it either,” Ms. Warren said.

The sharp-tongued remarks came as part of a broad-ranging policy speech on education at the American Federation of Teachers in Washington, where Ms. Warren laid out a plan for making college more affordable and relieving growing student debt. In doing so, Ms. Warren did not limit her criticism to the Education Department, assigning blame to colleges and universities, as well as to state governments. She also renewed calls to refinance outstanding student loans.

“Changes to make the federal higher education rules work better won’t matter if the Department of Education won’t enforce them,” she said.

Ms. Warren pointed to the case of Corinthian Colleges, a for-profit company that filed for bankruptcy in May, leaving tens of thousands saddled with debt. Though she praised a move Monday by Education Secretary Arne Duncan to forgive federal loans for students from Corinthian, she said that the department should have acted earlier and gone further in holding the company’s executives responsible.

College affordability and student debt has become a leading topic for both Democrats and Republicans on the presidential campaign trail in recent weeks. Ms. Warren did not mention the campaign in her speech. She did call for bipartisan collaboration on the issue ahead of the debate over the Higher Education Act, which expired in 2013.

**See further**

<http://www.nytimes.com/politics/first-draft/2015/06/10/elizabeth-warren-calls-out-education-department-over-student-loans/>

## **Hilary Clinton’s student loan reform mirrors that of Warren.**

On a litmus test issue for liberals, Hillary Clinton’s campaign has sought out policy experts with ties to the Massachusetts senator.

In weekly calls and in meetings over the past few months, Hillary Clinton’s policy team has been soliciting input from policy experts with ties to Sen. Elizabeth Warren, with the goal of making student loan reform the core of Clinton’s economic agenda.

The effort to make college more accessible — a litmus test for liberals and key to attracting grass-roots support on the left — comes as the Clinton campaign finds itself under increasing pressure to accommodate progressive demands. Yet it also could provide Clinton with a signature domestic policy issue, similar to health care for Barack Obama in 2008. With a student debt crisis climbing upward of \$1.2 trillion, Clinton’s camp views the issue as one where the former secretary of state could drive the conversation and create a mandate for reform.

In one of the clearest signs of the importance the policy team — headed by senior adviser Ann O’Leary — is placing on the issue, student loan reform is expected to be one of the earliest policy rollouts after Clinton’s campaign kickoff Saturday. The campaign is expected to unveil its student loan plans in detail in mid-July, multiple sources said.

Heather McGhee, president of the liberal think tank Demos, has discussed the issue directly  
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None of the policy details have been finalized, and it’s still unclear how Clinton plans to pay for any of the proposals currently being discussed.

But on the table is a plan to support debt-free college — including reducing the cost of attendance. That goes further than either of Clinton’s Democratic opponents, Vermont Sen. Bernie Sanders or former Maryland Gov. Martin O’Malley, have discussed when addressing the issue of debt-free college. Sanders has used it to mean simply covering the cost of tuition, and O’Malley has focused more on capping student loan payments.

It’s not clear yet exactly what form Clinton’s debt-free college proposal will take — whether students will pay based on a percentage of their income or carry some obligation based on their ability to pay.

But covering the cost of attendance is appealing to the progressive policymakers advising Clinton. “The total cost of attendance is a more expansive view of the actual cost of higher education,” said Huelsman. “We and other groups have encouraged Clinton to include the cost of attendance as the definition of debt-free college. That would be a big deal.”

See [Annie Karni](#)

Read more: <http://www.politico.com/story/2015/06/clinton-student-loan-reform-plan-has-warren-stamp-118865.html#ixzz3dMpqqof2F>

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