



# WISCONSIN LEGISLATURE

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## **Student Loans Should Be an Investment, Not a Liability**

*By State Representative Don Vruwink*

In the fall of 1970 when I started college at UW-Stevens Point, it was hard to hold a part-time job while attending classes and playing college baseball. That's why I would get up every morning and milk cows for my dad, uncle, and grandpa. I did that for four years, but I didn't make enough money to pay my tuition.

I graduated with student loan debt, which I was able to pay off in eight years. Today, college graduates are looking at much longer to pay off their student loans.

When I received my Master's Degree from UW-Whitewater in 1986, my graduate credits didn't cost nearly as much as graduate credits do today.

In the 1980s, UW-Whitewater received almost half of its funding from the State of Wisconsin. Today, the university receives only 10 percent of its funding from the state. University of Wisconsin campuses must rely much more on tuition than on state funding. As a result, students are graduating with more debt.

Recently I held a forum on student loan debt with State Treasurer Sarah Godlewski and business leaders in my district. The State Treasurer and I have been talking for over a year about how to tackle the problem and we believe a public-private partnership would get the support of most people in Wisconsin.

We are not talking about forgiving student loans. Rather, refinancing them at a more affordable rate. Many students are paying up to 11 percent interest. This, at a time when people are paying 3 percent interest on car loans and home loans.

Instead of buying a car, starting a new business or working toward buying their first homes, college graduates are scraping together monthly loan payments that largely go to companies

outside of Wisconsin. As Treasurer Godlewski said: “This is about giving people a chance at financial security while also helping our state’s economy.”

While we have no formal proposal, we envision a private-public partnership. The partnership would issue bonds with the full faith and credit of the State of Wisconsin. Funds raised from the bonds would allow financial institutions to refinance student debt at below-market rates. Only graduates of Wisconsin colleges and universities who are living and working in Wisconsin would be eligible. Loans for undergraduate degrees would be eligible, not advanced degrees.

Student loan debt is a \$24.4 billion drag on Wisconsin’s economy. Although the Legislature once again failed to address the problem, Gov. Tony Evers created the Governor’s Task Force on Student Debt. I am hopeful that with perseverance, we can give our college graduates a new option to get out from under the burden of debt. Student loans should be an investment, not a liability.

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*State Rep. Don Vruwink represents parts of Rock, Walworth, Jefferson, and Dane counties, which include the communities of Whitewater, Milton, Edgerton, Footville, part of the Village of Oregon, and 15 surrounding townships. He can be reached at 608-266-3790, [Rep.Vruwink@legis.wisconsin.gov](mailto:Rep.Vruwink@legis.wisconsin.gov), and P.O. Box 8953, Madison WI 53708.*