American Bridge

6.12.17
The Trump White House declared the week of June 12th “Workforce Development Week.” The themed week came immediately after “Infrastructure Week,” which was overshadowed by news coverage of former FBI Director James Comey’s testimony before Congress and other Trump-induced scandals.

Trump’s policies to date have been antithetical to the theme of “Workforce Development.” So far, Trump has:

- Proposed eliminating the Appalachian Regional Commission, which creates jobs while generating more money than it costs;
- Proposed eliminating the Rural Business and Cooperative Service that creates jobs in rural communities across the country;
- Proposed the closure of some Job Corps centers, where youths learn job skills;
- Proposed eliminating the Minority Business Development Agency that helps minority-owned businesses grow and create jobs;
- Proposed eliminating the Senior Community Service Employment Program that helps low-income seniors learn job skills;
- Proposed eliminating the Public Service Loan Forgiveness Program, which attracts public sector employees to underserved areas;
- Proposed eliminating the Federal Supplemental Educational Opportunity Grant (SEOG) Program, reducing college access to low-income students; and,
- Proposed eliminating federally-subsidized student loans, making it more expensive for young people to earn college degrees.

Following An Embarrassing “Infrastructure Week,” The White House Declared The Week Of June 12th “Workforce Development Week”

The White House Declared The Week Of June 12th, 2017, “Workforce Development Week.” According to CBS News, “Although last week’s ‘infrastructure week’ was overshadowed by former FBI Director James Comey’s Capitol Hill testimony and the appointment of a new FBI director, the White House is pushing ahead with its strategy of weeks devoted to specific policy themes. In that vein, the White House is dubbing next week ‘workforce development week.’ The administration will announce new administrative actions focused on streamlining current federal job training programs and expanding apprenticeship programs. Ivanka Trump, assistant to the president and the president’s daughter, will lead next week’s events, including what a senior White House official called a ‘major policy speech’ by President Trump.” [CBS News, 6/10/17]
“WORKFORCE DEVELOPMENT WEEK” CAME IMMEDIATELY AFTER AN EMBARRASSING “INFRASTRUCTURE WEEK” OVERSHADOWED BY TRUMP-INDUCED SCANDALS

The White House Had Declared The Previous Week “Infrastructure Week,” But Talk Of Infrastructure Was Overshadowed By Trump-Induced Scandals. According to The Hill, “The White House’s self-declared ‘infrastructure week’ this week was overshadowed by Comey’s gripping testimony before the Senate Intelligence Committee on Thursday, where he accused Trump’s administration of lying about him and the FBI. Even before Comey appeared before lawmakers, Comey confirmed several reports in a pre-written congressional statement released Wednesday detailing his past interactions with Trump that he said bothered him and that many have criticized as inappropriate. The administration’s weekly infrastructure initiative, which was aimed at ginning up support for Trump’s $1 trillion rebuilding proposal, was drowned out by various feuds Trump had ignited on social media. The fallout over one tweet unrelated to Comey – in which Trump took credit for several Arab nations moving to cut diplomatic ties with Qatar, a major U.S. military partner in the Persian Gulf region – dragged on through Friday. Trump also escalated his feud with Comey on Friday during a press conference in the White House Rose Garden, where he accused the fired FBI chief of lying to Congress about his conversations with him.” [The Hill, 6/9/17]

Trump Administration Policies To Date Have Been Antithetical To “Workforce Development”

TRUMP’S BUDGET PROPOSAL ELIMINATED THE APPALACHIAN REGIONAL COMMISSION, WHICH CREATES JOBS WHILE GENERATING MORE MONEY THAN IT COSTS

Trump’s Budget Proposed The Elimination Of All Regional Commissions, Including The Appalachian Regional Commission. According to the White House Office of Management and Budget, “Elimination: Regional Commissions[-] Other Independent Agencies[-] The Budget proposes to eliminate the Appalachian Regional Commission, the Delta Regional Authority, the Denali Commission, and the Northern Border Regional Commission, providing funding only for the orderly closure of the Agencies. The Budget restores control over community and economic development efforts to State and local governments and private entities.” [White House Office of Management and Budget, 5/23/17]

- The Appalachian Regional Commission Worked To Invest In Regional Business Development, Worker Education And Training And Infrastructure. According to The Columbus Dispatch, “Overall, it would dramatically reduce discretionary spending so defense spending could be increased by about $54 billion. It would also eliminate the Appalachian Regional Commission, a federal-state-local partnership aimed at serving as a regional economic development agency. The agency, established by Congress in 1965, includes Ohio and 12 other Appalachian states and aims to invest in business development in the region; in worker education and training; and in infrastructure.” [Columbus Dispatch, 3/16/17]

- The Appalachian Regional Commission Devoted About $175 Million Each Year To Projects Jobs That Rural Communities Badly Needed But Could Not Afford, From Fixing Roads And Building Computer Labs To Training Workers And Opening Health Clinics. According to The Washington Post, “In rural Appalachia, people are so poor that there is a federal program dedicated to lifting them out of poverty. Through the Appalachian Regional Commission, the government pitches in on projects that these rural communities badly need but can’t quite afford —
everything from fixing roads, to building computer labs, to training workers, to opening health clinics. These efforts have become so widely admired that in recent years Congress launched, with bipartisan backing, sister agencies to help other rural regions stuck in generational cycles of poverty. Together the programs spend about $175 million each year bringing jobs and opportunities to places that long have felt left behind.” [Washington Post, 3/17/17]

The Commission Is Responsible For Creating Or Maintaining Tens Of Thousands Of Jobs, Including Alternatives To Coal Jobs

The Appalachian Regional Commission Created Or Maintained More Than 23,000 Jobs In 2015 Alone. According to The Washington Post, “In 2015 alone, the ARC says it created or retained more than 23,000 jobs. The agency often uses its funds to get projects off the ground, attracting outside sponsors to help pay for the bulk of the work. According to its annual report to Congress, for every dollar it spends it brings in about $8 in private investment from companies and nonprofit organizations.” [Wonkblog – Washington Post, 3/17/17]

- Over The Previous 20 Months, The Appalachian Regional Commission Supported 55 Projects In West Virginia That Retained More Than 2,700 Jobs And Educated Thousands Of Workers Across The State. According to TIME, “Since October 2015, the ARC has supported 55 projects in West Virginia that will retain more than 2,700 jobs and educate thousands of workers across the state.” [TIME, 5/24/17]

Headline: “Trump's Budget Slices Funds For Alternatives To Coal Jobs.” [Tribune-Democrat, 5/25/17]

- As The Shrinking Coal Industry Created A Job Shortage, The Appalachian Regional Commission Spent Millions In Appalachia Helping Residents Find New Careers. According to The Washington Post, “Other efforts more directly combat rural unemployment by paying for training programs or helping people attend college. In Appalachia, for instance, the shrinking coal industry has created a job shortage, and the ARC has spent millions in recent years helping residents find new careers. In Maysville, Ky, it sponsored classes to teach people how to become drone operators. In Cedar Bluff, Va., it helped a community college offer classes in cybersecurity.” [Wonkblog – Washington Post, 3/17/17]

For Every Dollar The Commission Spent, It Brings In About Eight Times That Amount In Private Investment

The Appalachian Regional Commission Brought In About $8 In Private Investment For Every Dollar It Spent. According to The Washington Post, “In 2015 alone, the ARC says it created or retained more than 23,000 jobs. The agency often uses its funds to get projects off the ground, attracting outside sponsors to help pay for the bulk of the work. According to its annual report to Congress, for every dollar it spends it brings in about $8 in private investment from companies and nonprofit organizations.” [Wonkblog – Washington Post, 3/17/17]

Trump's Proposal To Eliminate The Appalachian Regional Commission Would Affect 37 Million People

Trump’s Proposal To Eliminate The Appalachian Regional Commission Would Affect 37 Million People. According to The Washington Post, “More than 37 million people would be affected in the 698 counties where the agencies work — in Appalachia, the Mississippi basin, and rural northern New England — places where the poverty rate is 33 percent higher than the national average. By proposing to zero out
these programs, the president’s budget would eliminate a key effort to help to some of the nation’s poorest regions.” [Washington Post, 3/17/17]

- **The Appalachian Regional Commission Had Helped Poor Kentucky Counties For Five Decades.** According to a column by Tom Eblen in The Lexington Herald Leader, “Trump even wants to kill the Appalachian Regional Commission, which for five decades has helped prop up poor Kentucky counties enslaved to the boom-and-bust coal industry.” [Tom Eblen – Lexington Herald Leader, 3/16/17]

- **Kentucky Received More Than $9 Million In Grants From The Appalachian Regional Commission In 2016.** According to a column by Tom Eblen in The Lexington Herald Leader, “The 13-state ARC spends a lot of money for desperately needed infrastructure in Kentucky’s small towns and rural communities, including roads, water and sewer systems. For example, Olive Hill in Carter County this month got a $243,000 ARC grant to replace corroded water lines, which were leaking nearly half the system’s water supply and raising health concerns. The ARC’s website lists 37 grants totaling more than $9 million that were made to Kentucky communities during fiscal 2016. They included $500,000 for rural dental education; $370,000 for teacher training; $500,000 for a sewer project in Pike County and $500,000 for career education as part of the Appalachian Technology Initiative.” [Tom Eblen – Lexington Herald Leader, 3/16/17]

**Trump's Budget Director Said Trump Probably Did Not Know What The Agency He Was Targeting For Elimination Actually Did**

**Budget Director Mulvaney: Trump “Probably Didn't Know What The Appalachian Regional Commission Did.”** According to CNBC, “HARWOOD: He over and over went to West Virginia, went to rural parts of Kentucky and Ohio, said, 'I'm going to take care of you guys.' He didn't say, 'I'm going to get rid of the Appalachian Regional Commission.' MULVANEY: Yeah, and my guess is he probably didn't know what the Appalachian Regional Commission did. I was able to convince him, 'Mr. President, this is not an efficient use of the taxpayer dollars. This is not the best way to help the people in West Virginia.' He goes, ‘Okay, that's great. Is there a way to get those folks the money in a more efficient way?’ And the answer is yes. And that's what we're going focus on doing.” [CNBC, 4/11/17]

- **Mulvaney: “When You Say You Know, People That Voted For Him Are Hurt, That's Not The Issue.”** According to CNBC, “HARWOOD: How cognizant is he of the fact that many of the people who supported him would be hurt by cuts that you proposed in the budget? MULVANEY: The president is certainly conscious of the people who voted for him, right. But he cares about more than just the Trump voters. So when you say you know, people that voted for him are hurt, that's not the issue. He wants to know, ‘Are the folks in Appalachia, are the coal miners in West Virginia going to be better off under my presidency whether or not they voted for me?’ He doesn't care if they voted for him.” [CNBC, 4/11/17]

**Appalachian State Officials Spoke Out Against The Harmful Nature Of The Cuts**

**Republican Representative Hal Rogers Said The Trump Budget Cuts Were “Deep And Harmful” To His Struggling Appalachian District: “The Proposed Cuts Are Not Mere Shavings.”** According to the Bluefield Daily Telegraph, “The proposed budget wipes out the Appalachian Regional Commission, which appropriates $120-million annually to fund job-creating business ventures and retrain unemployed coal miners to acquire new skills. It also recommends Congress eliminate the $90 million-a-year fund, championed by Rep. Hal Rogers, R-Kentucky, to clean up abandoned coal mines so the land can be used for other, money-making purposes. ‘The proposed cuts are not mere shavings,’ said Rogers, a member of the House
Appropriations Committee. ‘They are rather deep and harmful’ to his struggling Appalachian district.” [Bluefield Daily Telegraph, 5/25/17]

West Virginia Commerce Secretary H. Wood Thrasher: “Any Action That Places This Funding In Jeopardy Is Detrimental To The Future Of Our Communities And Our State.” According to TIME, “The proposed cuts to the Appalachian Regional Commission would adversely impact our most vulnerable populations in these communities, reduce or eliminate essential services, and hinder economic development and job growth,’ said West Virginia Commerce Secretary H. Wood Thrasher. ‘Any action that places this funding in jeopardy is detrimental to the future of our communities and our state.”’ [TIME, 5/24/17]

Delta Regional Authority Federal Co-Chairperson Christopher Masingill: “You Cannot Advocate For Infrastructure Development And Economic Security In Rural America Without Also Supporting The Mechanisms, Such As DRA, That Make Those Projects A Reality.” According to The Washington Post, “Many of these projects accomplish the same goals that Trump has emphasized: promoting manufacturing jobs and building the infrastructure that attracts businesses and supports local entrepreneurs. ‘You cannot advocate for infrastructure development and economic security in rural America without also supporting the mechanisms, such as DRA, that make those projects a reality,’ said Christopher Masingill, the federal co-chairman of the Delta Regional Authority, which sponsors projects in rural counties near the lower Mississippi River.” [Wonkblog – Washington Post, 3/17/17]

**TRUMP’S BUDGET PROPOSAL ELIMINATED THE RURAL BUSINESS AND COOPERATIVE SERVICE THAT Creates JOBS IN RURAL COMMUNITIES ACROSS THE COUNTRY**

Trump’s Budget Proposal Eliminated The Rural Business And Cooperative Service. According to CNN, “President Donald Trump’s team released its first full budget proposal on Tuesday, and while lawmakers are likely to dismiss most of it -- as they traditionally do with most White House wishlists -- the document provides fresh insight into the administration's priorities. […] RURAL BUSINESS AND COOPERATIVE SERVICE ‘The Budget proposes to eliminate rural business and cooperative programs given findings that the programs have failed to meet the program goals and are improperly managed.’” [CNN, 5/23/17]

The Rural Business-Cooperative Service Along With Other USDA Rural Investments Has Helped Millions Of Rural Americans

The Rural Business-Cooperative Service Has Provided A Lifeline To Rural Areas, Injecting “Much Needed Capital” And “Enhancing Economic Opportunities.” According to the US Department of Agriculture, “Through its Business Programs, Rural Development helps provide much-needed capital in rural areas, often in partnership with private-sector lenders and community-based organizations. The capital may be in the form of loan guarantees, direct loans or grants to individuals, rural businesses, cooperatives, farmers and ranchers, public bodies, non-profit corporations, Native American Tribes and private companies. The funding is intended to help improve the quality of life in rural communities by enhancing economic opportunities.” [USDA, accessed 3/16/17]

From 2009 – 2016, USDA Rural Development Has Helped Expand 103,000 Rural Businesses, Helped 1.1 Million Rural Residents Buy Homes, Funded Nearly 7,000 Community Facilities, Financed 185,000 Miles Of Electric Transmission And Distribution Lines, And Helped Bring High-Speed Internet Access To Nearly 6 Million Rural Residents And Businesses. According to USDA, “Since 2009, USDA Rural Development has invested $11 billion to start or expand 103,000 rural businesses; helped 1.1 million rural residents buy homes; funded nearly 7,000 community facilities such as schools, public safety
and health care facilities; financed 185,000 miles of electric transmission and distribution lines; and helped bring high-speed Internet access to nearly 6 million rural residents and businesses.” [USDA, 6/6/16]

**The USDA Rural Business-Cooperative Service Has Assisted In Job Creation In Rural Communities Across The Country**

The USDA Rural Business-Cooperative Service Has Assisted Independent Producers In Job Creation Activities And In Transitioning To Farm-Based Renewable Energy. According to USDA, “Value-Added Producer Grants from USDA's Rural Business-Cooperative Service (RBS) offer funding to independent producers to process their raw products into processed products, such as making applesauce from apples. Grants may be used for planning activities and for working capital, as well as for farm-based renewable energy.” [USDA, accessed 3/20/17]

**Leffel Roots, LLC In Eau Claire, Wisconsin Received A $22,530 Value-Added Grant From The USDA Rural Business-Cooperative Service To Develop And Market Bakery, Cider And Hard Cider Products.** According to USDA, “USDA Rural Business-Cooperative Service Administrator Sam Rikkers announced the grants on Vilsack's behalf during a visit to Leffel Roots, LLC in Eau Claire, Wis. Leffel is receiving a $22,530 value-added grant to develop and market bakery, cider and hard cider products. Another Wisconsin recipient, Bee Forest, LLC, a logging and sawmill company in Nelson, is receiving a $250,000 grant to market, process and ship shredded bark and saw dust.” [USDA, 10/27/16]

**Bee Forest, LLC, A Logging And Sawmill Company In Nelson, Wisconsin Received A $250,000 Grant From The USDA Rural Business-Cooperative Service To Market, Process And Ship Shredded Bark And Saw Dust.** According to USDA, “USDA Rural Business-Cooperative Service Administrator Sam Rikkers announced the grants on Vilsack's behalf during a visit to Leffel Roots, LLC in Eau Claire, Wis. Leffel is receiving a $22,530 value-added grant to develop and market bakery, cider and hard cider products. Another Wisconsin recipient, Bee Forest, LLC, a logging and sawmill company in Nelson, is receiving a $250,000 grant to market, process and ship shredded bark and saw dust.” [USDA, 10/27/16]

The USDA Rural Business-Cooperative Service Gave Acme Smoked Fish Corp. In Pender County, N.C. A $2 Million Loan To Help Them Buy Equipment To Process And Smoke Salmon, Herring And Other Fish, Creating 120 Full Time Jobs In The Region. According to USDA, “USDA Rural Development has a strong track record of strengthening rural businesses and economies through its Rural Business-Cooperative Service. For example, in 2015, Four County EMC used a $2 million REDLG loan to help Acme Smoked Fish Corp. in Pender County, N.C., buy equipment to process and smoke salmon, herring and other fish. Pender County has struggled since the economic downturn in the late 2000s. The REDLG loan has brought more than 120 full-time jobs to the region. Since 2009, USDA has invested more than $330 million in loans and grants through the REDLG program.” [USDA, 7/15/16]

The USDA Rural Business-Cooperative Service Gave The Carthage Pavilion Assisted-Living Facility In Carthage, Tennessee A $1.36 Million Loan To Transform A Vacant Hospital Into The Only Assisted-Living Facility In Smith County, Providing Jobs And A Valuable Resource To The Elderly Residents Of The Area. According to USDA, “USDA Rural Development has a strong track record of strengthening rural businesses and economies through its Rural Business-Cooperative Service. For example, Rural Development awarded the Carthage Pavilion Assisted-Living facility a $1.36 million Rural Economic Development loan to transform a vacant hospital into the only assisted-living facility in Smith County. The Carthage, Tenn., facility gives 42 seniors the opportunity to live in a safe and enjoyable environment. This important Rural Development investment provided the residents of rural Tennessee with access to a top-quality facility that will enhance their quality of life and create jobs.” [USDA, 5/6/16]

The USDA Rural Business-Cooperative Service Helped Iraq And An Afghanistan Veteran And Mississippi Resident Launch A Hydroponic Agriculture Operation. According to a statement by
USDA Under Secretary for Rural Development Lisa Mensah, “USDA’s Rural Business-Cooperative Service (RBS) continues to bring investments and jobs to rural areas. The 2016 budget requests over $1 billion to help continue this rural renewal—benefitting not just our rural communities, but growing a stronger economy for the entire country through investment in rural business, energy, and entrepreneurial support. […] For example, a Poplarville, Mississippi resident and veteran of the wars in Iraq and Afghanistan, launched a hydroponic agriculture operation. Funded in part by RBS, an ‘Armed to Farm’ workshop helped this new farmer better manage the business side of his operation. After shadowing other agribusinesses, he says he now feels more confident about the future of his company, SmithPonics.” [Lisa Mensah - USDA, 10/21/15]

TRUMP’S BUDGET PROPOSAL CALLED FOR THE CLOSURE OF JOB CORPS CENTERS THAT PROVIDE YOUTHS WITH WORK SKILLS

Trump’s Department Of Labor Budget Called For $237.5 Million In Savings By Closing Job Corps Centers. According to the FY 2018 Department of Labor Budget in Brief, “The Budget saves American taxpayers $237.5 million by closing Job Corps centers that do a poor job of educating and preparing disadvantaged youth for jobs or where it does not make economic sense to keep the center open. The Budget also focuses the program on older youth, whom evidence shows are most likely to benefit from this cost-intensive model.” [FY 2018 Department of Labor Budget in Brief, accessed 6/12/17]

The Job Corps Program “Offers Vocational Training For Men And Women Between 16 And 24 Years Of Age.” According to CityLab, “The Blueprint for Reform calls for eliminating the Job Corps ($1.72 billion), a program that offers vocational training for men and women between 16 and 24 years of age.” [CityLab, 1/23/17]

Job Corps “Provides Education And Job Training To More Than 60,000 Young People And Disadvantaged Youth.” According to the Washington Post, “The White House proposed shrinking Job Corps, a program administered by the Labor Department that provides education and job training to more than 60,000 young people and disadvantaged youth. The proposal called for closing centers that do a ‘poor job’ of preparing students for the workforce, but did not elaborate on how many of the 125 centers nationwide would be targeted. Job Corps, which was created in 1965 as part of President Johnson’s anti-poverty agenda, helps young adults between the ages of 16 and 24 earn high school diplomas and receive vocational training.” [Washington Post, 3/16/17]

The Job Corps Was The “Only Federal Training Program That Been Shown To Increase Earnings” For Disadvantaged Young People

The Atlantic: The Job Corps Was The “Only Federal Training Program That Been Shown To Increase Earnings” For Disadvantaged Young People. According to The Atlantic, “Another program that’s likely facing cuts is Job Corps, which provides free education and job training for disadvantaged minors. This program also faced cuts in past Obama budgets. An economic cost-benefit study of the Job Corps program from 2008 found that it was the ‘only federal training program that has been shown to increase earnings for this population.’” [The Atlantic, 3/17/17]

A Study Of Job Corps Showed It Was Successful In “Leading Participants To Go Further In School, Reducing Their Criminal Activity, And Increasing Their Earnings For Several Years After The Program.” According to The Atlantic, “An economic cost-benefit study of the Job Corps program from 2008 found that it was the ‘only federal training program that has been shown to increase earnings for this population,’ leading participants to go further in school, reducing their criminal activity, and increasing their average earnings for several years after the program, although the earnings gains were only sustained by older participants.” [The Atlantic, 3/17/17]
**Congressman Bobby Rush: Job Corps Centers “Train Young People To Meet The Demands Of Cutting-Edge Industries.”** According to an op-ed by Congressman Bobby Rush for The Hill, “Since its inception, Job Corps has trained almost 3 million out-of-work and underserved young people. Its programs specialize in helping young people for whom the conventional education system just has not worked to find pathways to success. Most come from poor backgrounds. Some dropped out of school. They may have been arrested before. However, they all have extraordinary talent and a desire to thrive. Job Corps programs know how to take advantage of students’ abilities and drive and to help them succeed. Their centers train young people to meet the demands of cutting-edge industries, including healthcare, hospitality, automotive and machine repair, advanced manufacturing, renewable energy, transportation, construction and information technology.” [Congressman Bobby Rush – The Hill, 2/23/16]

**Job Corps Students Receive Job Training In Areas From Computer Technology To Fire Fighting**

The Job Corps Center On The South Side Of Chicago Trains Students In “Computer Technology, Healthcare, Carpentry, Office Administration, And More.” According to an op-ed by Congressman Bobby Rush for The Hill, “In my city of Chicago, where the South Side is more often associated with crime and violence than education and job training, the Paul Simon Job Corps Center is working every day to teach our young people marketable skills and give them a brighter future. Under the leadership of executive director William Coleman II, each year the center enrolls dozens of students and instructs them in a variety of vocations, including computer technology, healthcare, carpentry, office administration and more. In a city where there is a major need for alternative educational options for our students, the Paul Simon Job Corps Center stands as a beacon of hope. It’s helped countless young people from our community change the course of their lives and go on to be productive members of society.” [Congressman Bobby Rush – The Hill, 2/23/16]

Alaska Job Corps Students Received Training In Wildland Firefighting. According to the Mat-Su Valley Frontiersman, “Alaska Job Corps students got a taste of working on wildfires at a week-long basic wildland firefighting training class offered in the middle of the winter by the Bureau of Land Management (BLM) Alaska Fire Service (AFS). The training, which is commonly referred to as a red card class, gave 41 Job Corps students the basic tools for wildland firefighting.” [Mat-Su Valley Frontiersman, 3/11/17]

Job Corps Students Received Culinary Training In Oregon. According to The Astorian, “Throughout the week, Chef Christopher Holen of Baked Alaska is holding a Pay What You Can pop-up lunch. Holen said the lunch was an idea he had for years but recently popped up in his mind. ‘Why did I do it?’ he asked. ‘I guess I’m crazy. I want to see what happens.’ Customers can choose from shrimp melts, grilled cheese and tomato soup, curried chicken wraps, smoked salmon chowder in a bread bowl, chicken and vegan salads and mushroom spaghetti. Making the meals are culinary students from Tongue Point Job Corps Center, from which Holen’s restaurant has long hosted interns. The students change each week, except for lead sous chef Martien Chisholm, who came to Tongue Point from Longview, Washington. Chisholm said Job Corps has about 25 students, of which about 15 will be cycling through the pop-up lunch at Baked Alaska.” [The Astorian, 2/23/17]

**TRUMP’S BUDGET PROPOSAL ELIMINATED THE MINORITY BUSINESS DEVELOPMENT AGENCY**

Trump’s Commerce Department Budget Proposed Eliminating The Minority Business Development Agency. According to the Department of Commerce FY 2018 Budget in Brief, “In FY 2018, the Administration proposes to eliminate the Minority Business Development Agency, which is duplicative of other Federal, State, local, and private sector efforts that promote minority business entrepreneurship.
including Small Business Administration District Offices and Small Business Development Centers.”
[Department of Commerce Budget in Brief, Fiscal Year 2018]

The Minority Business Development Agency Has Been “The Only Federal Agency Established Solely To Create Jobs Through The Growth And Global Competitiveness Of Minority-Owned Businesses.” According to the Department of Commerce, “The Minority Business Development Agency (MBDA) is the only federal agency established solely to create jobs through the growth and global competitiveness of minority-owned businesses in the United States. MBDA coordinates and leverages public and private sector resources to provide access to capital, contracts and markets.” [Department of Commerce, accessed 3/20/17]


The Minority Business Development Agency Has Created Thousands Of Jobs Each Year And Has A High Rate Of Return On Investment


The Minority Business Development Agency Has Created Opportunities And Jobs Across The Country

The Minority Business Development Agency Helped An Oklahoma-Based And Native American Owned Business Ohopaki General Contracting & Mechanical Create 31 Jobs And Secure A $4 Million Contract. According to the Minority Business Development Agency, “Lynn White knows as well as anyone that developing contacts and building relationships can make all the difference in successfully growing a business. Thanks to a chain of introductions set in motion by the business development specialists at the MBDA Business Center in Tulsa, Oklahoma, Mr. White was able to meet and spend time with contract officers at Tinker Air Force Base. The relationships he built led to a $4 million contract from the U.S. Army Corps of Engineers that created and retained 31 jobs, and represented a 70% increase in sales. The Tulsa MBDA Business Center and Ohopaki are continuing to work together to increase sales and build substantive relationships in the contracting community.” [Minority Business Development Agency, 10/2/12]
The Minority Business Development Agency Helped San Francisco-Based Yerba Buena Engineering & Construction Create 22 Jobs And Secure A $6.5 Million Contract. According to the Minority Business Development Agency, “Yerba Buena Engineering & Construction, Inc. is a growing SBA 8(a) certified, small disadvantaged business and HUBZone contractor headquartered in San Francisco. The company provides general engineering construction services to the City and county of San Francisco, and various state and federal agencies in the Bay area. Miguel Galarza founded Yerba Buena in 2002. He had worked for various small construction businesses throughout his career and during that time, he had seen too many DBE firms pass up opportunities for long-term growth because they were content to serve as subcontractors. Mr. Galarza was determined to make Yerba Buena a minority-owned prime contracting company. In 2007, Yerba Buena contacted the MBDA Business Center in San Jose seeking procurement, technical and marketing assistance. The San Jose MBDA Business Center helped the company identify opportunities and establish relationships with public and private sector procurement officers. Mr. Galarza used the matchmaking forums organized by MBDA to develop new business leads and he used the training sessions MBDA organized and co-sponsored to help build the capacity of key personnel within the company. With assistance from the San Jose MBDA Business Center, Yerba Buena was awarded a $6.5 million contract with the San Francisco Public Utility Commission in 2011. The contract represented a 30% increase in revenue and created or saved 22 jobs. The San Jose MBDA Business Center continues to monitor the market for procurement opportunities where Yerba Buena has a competitive advantage as an 8(a) certified and HUBZone company.” [Minority Business Development Agency, accessed 3/20/17]

The Minority Business Development Agency Helped Colorado-Based Gilmore Construction Corporation Create 75 Jobs And Secure A $4.6 Million Contract. According to the Minority Business Development Agency, “Gilmore Construction Corporation is one of the leading minority-owned commercial construction companies in Colorado. Founded by Jacob Gilmore in Denver in 1997, the company specializes in preconstruction, construction, design/build and facility operations. In 2011, Gilmore became a client of one of MBDA’s newest business centers in Denver. The Denver MBDA Business Center provided strategic counsel on organizational development and internal system management and tactical advice on developing a strong value proposition for presentation to existing and potential clients. The Denver MBDA Business Center also recommended the company to prime contractors and made the introductions that resulted in Gilmore Construction securing a $4.6 million contract from Xcel Energy – a regional utility company – to dismantle its 1,100 acre plant. The contract will create 75 new jobs and help in retaining five others. The guidance and support Gilmore gained from the Denver MBDA Business Center has served in bolstering its business growth and development and has enhanced Gilmore’s role as a mentor to other local minority-owned firms. The Denver MBDA Business Center will continue to provide organizational development consulting services to Gilmore along with facilitating introductions to large prime contractors.” [Minority Business Development Agency, accessed 3/20/17]

The Minority Business Development Agency Helped El Paso, Texas-Based Mirador Enterprises Create 29 Jobs And Secure $24 Million In Contracts. According to the Minority Business Development Agency, “Yolanda Diaz knew from the beginning that if she wanted her small business to be a success, she would have to do a lot of networking to find opportunities and find partners who would help her chase those opportunities. That’s what brought her to the El Paso MBDA Business Center in El Paso in 2008. Since that time, the El Paso MBDA Business Center has provided Mirador Enterprises with greater exposure to local, state and federal buyers, along with assistance in certification, bidding, bonding and financing. As a result, the company secured one contract for $20 million with the Texas National Guard, and another contract for $4 million with the U.S. Army Corps of Engineers. The El Paso MBDA Business Center also assisted Mirador Enterprises with securing $10 million in bonding, enabling the company to create and retain 29 jobs.” [Minority Business Development Agency, 11/21/12]

He now enjoys ‘making a home for so many wonderful people.’ He came to the MBDA Business Center in Seattle seeking assistance in obtaining DBE certification and securing acceptance into the SBA 8(a) program for his company, Farrow Construction Specialties, Inc. (FCS). Once the business was certified, the Seattle MBDA Business Center was able to promote FCS to larger prime contractors in the Pacific Northwest with an emphasis on those that were significant players in public works. As a result, the company secured several contracts and saw its revenues increase by 184%. The Seattle MBDA Business Center also provided advice on identifying a mentor in the SBA 8(a) mentor-protégé program. As Farrow’s contracts have increased in size, the Seattle MBDA Business Center has been working to assist the company in increasing both its line of credit and its bonding capacity.” [Minority Business Development Agency, 11/1/12]

The Minority Business Development Agency Helped Create Billions In Business Contracts And Capital

![Contracts & Capital Awarded Graph]


TRUMP’S BUDGET PROPOSAL ELIMINATED THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM THAT HELPS LOW-INCOME SENIORS LEARN JOB SKILLS

Trump’s Budget Proposal Eliminated The Rural Business And Cooperative Service. According to CNN, “President Donald Trump's team released its first full budget proposal on Tuesday, and while lawmakers are likely to dismiss most of it -- as they traditionally do with most White House wishlists -- the document provides fresh insight into the administration's priorities. […] SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM ‘The Budget proposes to eliminate the Senior Community Service Employment Program (SCSEP). SCSEP is ineffective in its goal of transitioning seniors into unsubsidized employment.’” [CNN, 5/23/17]

The SCSEP “Is A Community Service And Work-Based Job Training Program” That “Provides Training For Low-Income, Unemployed Seniors.” According to the U.S. Department of Labor Employment and Training Administration, “The Senior Community Service Employment Program (SCSEP)
is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. Participants also have access to employment assistance through American Job Centers.” [DOLETA.gov/seniors, accessed 3/22/17]

SCSEP Participants “Work An Average Of 20 Hours A Week, And Are Paid The Highest Of Federal, State, Or Local Minimum Wage.” According to the U.S. Department of Labor Employment and Training Administration, “Participants work an average of 20 hours a week, and are paid the highest of federal, state or local minimum wage.” [DOLETA.gov/seniors, accessed 3/22/17]

SCSEP Participants “Must Be At Least 55, Unemployed, And Have A Family Income Of No More Than 125% Of The Federal Poverty Level” With Priority “Given To Veterans And Qualified Spouses.” According to the U.S. Department of Labor Employment and Training Administration, “Participants must be at least 55, unemployed, and have a family income of no more than 125% of the federal poverty level. Enrollment priority is given to veterans and qualified spouses, then to individuals who are over 65, have a disability, have low literacy skills or limited English proficiency, reside in a rural area, are homeless or at risk of homelessness, have low employment prospects, or have failed to find employment after using services through the American Job Center system.” [DOLETA.gov/seniors, accessed 3/22/17]

SCSEP “Serves Around 70,000 Low-Income Senior Citizens.” According to NBC News, “It would be absolutely devastating,’ said Bob Harootyan, manager of research at Senior Service America, Inc. The organization runs the $434 million Senior Community Service Employment Program, a job-training program that serves around 70,000 low-income senior citizens, paying them minimum wage while training them for primarily part-time community service jobs in places like public libraries.” [NBC News, 3/16/17]

“Two-Thirds Of The Low-Income Older Americans Participating In SCSEP Are Women, Almost Half Are From A Racial Or Ethnic Minority, And Almost A Third Are 65 Years Or Older.” According to Senior Service America, “SCSEP delivers a ‘triple win’ for our nation by promoting healthy aging and offering employment opportunities for low-income older Americans while providing staff to local programs and agencies serving communities. Two-thirds of the low-income older Americans participating in SCSEP are women, almost half are from a racial or ethnic minority, and almost a third are 65 years or older.” [SeniorServiceAmerica.org, accessed 3/22/17]

Twenty Percent Of SCSEP Participants “Have Disabilities, And More Than Half Are Homeless Or At Risk Of Becoming Homeless.” According to the Center for American Progress, “In 2015, the Senior Community Service Employment Program, or SCSEP, placed more than 65,000 seniors into community service. Seniors who participate in SCSEP are overwhelmingly low-income; 20 percent have disabilities, and more than half are homeless or at risk of becoming homeless.” [Center for American Progress, 3/17/17]

SCSEP Has Made A Difference For Participants

AARP Project Director For SCSEP Lisa Quinby: “A Lot Of People Have Come Into This Program And Say That It Saved Their Lives.” According to the Reading Eagle, “As senior citizens, Johnson, 61, and Cook, 62, both of Reading, are alumni of the AARP Foundation’s Senior Community Service Employment Program, or SCSEP, a more than 45-year-old endeavor designed to help low-income seniors 55 and older become gainfully employed. The program is paid for by tax dollars through a grant from the U.S. Department of Labor with support from AARP and the AARP Foundation, said Lisa Quinby, area AARP project director for SCSEP. ‘A lot of people have come into this program and say that it saved their lives,’ said Quinby, 60, who has been with the program for the past 10 years.” [Reading Eagle, 3/2/17]

Reading Eagle: “Participants Can Receive Help With English Classes, Resume Writing, Interviewing, Customer Service And Computer Classes And Even Obtaining Their GEDs.” According to the Reading Eagle, “Quinby said the SCSEP program provides eligible unemployed seniors
opportunities to obtain job knowledge, enhance their skills through counseling, training and workshop programs in the quest to find jobs. She said assistance is provided in assessing skills and connecting participants to services within the community. Participants can receive help with English classes, resume writing, interviewing, customer service and computer classes and even obtaining their GEDs.” [Reading Eagle, 3/2/17]

Senior Service America “Designed A Program Where Computer-Literate Participants Help Those Less Savvy” To Help SCSEP Participants Apply For Jobs Online. According to The Guardian, “Depression and feelings of despair are common among SCSEP participants who find themselves locked out of jobs they once easily found. Thus, a partial role of the program is to rebuild the participants' self-esteem. The emotional support offered through the program was crucial for Litton, who said ‘the staff was very friendly and patient, even though I was depressed at the time.’ One of the ways the program boosts workers' self-esteem is by teaching them to apply for jobs on a computer, a skill many never mastered and one that can open some previously-closed doors. To help older workers overcome their fear of the internet, SSA [Senior Service America] designed a program where computer-literate participants help those less savvy. According to Sarmiento, the program has helped over 25,000 participants nationwide.” [The Guardian, 1/26/14]

Senior Service America Manager Of Research Bob Harootyan: For The Seniors Using SCSEP, “Their Economic Security Makes A Large Difference.” According to NBC News, “It would be absolutely devastating,’ said Bob Harootyan, manager of research at Senior Service America, Inc. The organization runs the $434 million Senior Community Service Employment Program, a job-training program that serves around 70,000 low-income senior citizens, paying them minimum wage while training them for primarily part-time community service jobs in places like public libraries. […] ‘Their economic security makes a large difference,’ Harootyan said. ‘When we look at the average they earn — a $600-a-month income — it makes a dramatic difference in their lives,’ he said.” [NBC News, 3/16/17]

TRUMP’S BUDGET PROPOSAL ELIMINATED THE PUBLIC SERVICE LOAN FORGIVENESS PROGRAM, CRITICAL TO ATTRACTING PUBLIC SECTOR WORKERS TO UNDERSERVED AREAS

Trump’s Budget Proposal Eliminated The Public Service Loan Forgiveness Program Effective July 1, 2018. According to the White House Office of Management and Budget, “To support this streamlined pathway to debt relief for undergraduate borrowers, and to generate savings that help put the Nation on a more sustainable fiscal path, the Budget eliminates the Public Service Loan Forgiveness program, establishes reforms to guarantee that all borrowers in IDR pay an equitable share of their income, and eliminates subsidized loans. These reforms will reduce inefficiencies in the student loan program and focus assistance on needy undergraduate student borrowers instead of high-income, high-balance graduate borrowers. All student loan proposals apply to loans originated on or after July 1, 2018, except those provided to borrowers to finish their current course of study.” [White House Office of Management and Budget, 5/23/17]

The Program Was Designed To Attract Teachers, Doctors, And Other Public Sector Workers To Low-Income, Rural Areas In Exchange For Less Student Debt

The Public Service Loan Forgiveness Program Was Launched In 2007 To Motivate University Graduates To Take Government And Teaching Jobs In Remote Rural Areas. According to The Associated Press, “The document also calls for eliminating the Public Service Loan Forgiveness program with the aim of saving $859 million. That program was launched in 2007 with the idea to motivate university graduates to take government and teaching jobs in remote rural areas. Under the program, the remainder of a student's debt is forgiven after he or she makes 120 qualifying payments, or typically after 10 years.” [Associated Press, 5/23/17]
Trump’s Budget Cut Would Impact Aspiring Teachers, Public Defenders, Social Workers, And Primary Care Doctors, Many Of Whom Worked In Low-Income Areas For Below-Average Pay, Despite Their Loans. According to CNN Money, “They chose careers as teachers, public defenders, social workers, and primary care doctors. Many work in low-income areas for below-average pay, despite their loans. Some have moved to different states and turned down higher-paying, private sector jobs to stay in the program. Now they're hoping it wasn't all for nothing. President Trump's proposed budget, released Tuesday, calls for eliminating the already-troubled program for new borrowers. The cut, which requires an act of Congress, would save $27.5 billion over 10 years if enacted.” [CNN Money, 5/23/17]


Under The Program, Students Who Went On To Work In The Public Sector Could Have Their Debt Forgiven After Making 120 Qualifying Monthly Payments Or 10 Years' Worth Of Payments. According to The Washington Post, “Another change in the spending plan calls for the elimination of Public Service Loan Forgiveness, a program that wipes away federal student debt for people in the public sector after they have made 120 qualifying monthly payments, or 10 years’ worth of payments. The program, enacted in 2007 under President George W. Bush, was designed to encourage college graduates to pursue careers as social workers, teachers, public defenders or doctors in rural areas.” [Washington Post, 5/17/17]

Rural Areas Already Suffer A Shortage Of Doctors And Teachers

One-Fifth Of Americans Live In Rural Areas, But About One-Tenth Of Physicians Are In Rural Areas. According to The Atlantic, “There are about 6,000 federally designated areas with a shortage of primary care doctors in the U.S., and 4,000 with a shortage of dentists. Rural areas have about 68 primary care doctors per 100,000 people, compared with 84 in urban centers. Put another way, about a fifth of Americans live in rural areas, but barely a tenth of physicians practice there.” [The Atlantic, 8/28/14]

National School Boards Association: “More Than 40 Percent Of All Small, Rural School Districts In The Country Have Serious Difficulties Filling Vacant Teaching Positions.” According to the National School Boards Association, “More than 9 million students are enrolled in rural public elementary and secondary schools, according to the U.S. Department of Education, National Center for Education Statistics. And more than 40 percent of all small, rural school districts in the country have serious difficulties filling vacant teaching positions. The number of unfilled teaching positions in schools serving Indian Country, some of the smallest and most isolated areas, has doubled over the last 10 years.” [National School Boards Association, accessed 2/28/17]

TRUMP’S BUDGET PROPOSAL ELIMINATED THE FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (SEOG) PROGRAM, REDUCING ACCESS TO COLLEGE DEGREES FOR LOW-INCOME STUDENTS

Trump’s Budget Proposed Eliminating The Federal Supplemental Educational Opportunity Grant (SEOG) Program. According to the White House Office of Management and Budget, “The Budget proposes to eliminate the Federal Supplemental Educational Opportunity Grant (SEOG) program, given the program is a less targeted way to deliver need-based grant aid than Pell Grants. Eliminating the program
would also reduce complexity in Federal student aid.” [White House Office of Management and Budget, 5/23/17]

**SEOG Has Provided Need-Based Aid To Around 1.6 Million Low-Income Undergraduates Annually**

**SEOG Is A Federal Grant That Awards Undergraduates With $100-$4,000 Of Financial Assistance Depending On Financial Need.** According to FSEOG, “The Federal Supplemental Educational Opportunity Grant (FSEOG) is a grant that is awarded to students in need of financial aid. It is a type of federal grant that is awarded college undergraduate program students and does not need to be repaid. A student awarded with the FSEOG is given anything between $100.00 and $4,000.00 per year depending on the gravity of the person’s financial aid need.” [FSEOG, accessed 5/30/17]

- **SEOG “Is Campus-Based And Sent Directly To The Financial Aid Office” And “Is Based On The Individual Need And Also On The School’s Funds.”** According to USA Today College, “The #TrumpBudget also proposes totally eliminating the Federal Supplemental Educational Opportunity Grant (FSEOG) program. FSEOGs supply $100-$4,000 a year for students with financial need, according to the U.S. Department of Education. This federal educational grant is different from others because it is campus-based and sent directly to the financial aid office, not to the student. Availability is based on the individual need and also on the school’s funds.” [USA Today College, 3/16/17]

**Around 1.6 Million Students Receive SEOG Each Year.** According to The Atlantic, “Although decreased funding for the Education Department will have repercussions for students and educators across the country, low-income students are particularly vulnerable. In addition to eliminating Supplemental Educational Opportunity Grants (SEOG), which offer need-based aid to around 1.6 million low-income undergraduates each year, the Trump administration wants to ‘significantly’ reduce Federal Work-Study.” [The Atlantic, 3/16/17]

**SEOG Had A Budget Of $732 Million And Helped “Give Up To $4,000 A Year To College Students Based On Financial Need.”** According to USA Today, “Federal Supplemental Educational Opportunity Grant program ($732 million): This financial aid program, known as SEOG, help give up to $4,000 a year to college students based on financial need. The Trump administration says it's a ‘less well-targeted’ program than Pell Grants.” [USA Today, 3/16/17]

**Most SEOG Recipients Come From Households Making Less Than $30,000 Per Year**

**A Study Showed That 71% Of SEOG Recipients Came From Families Making Less Than $30,000 Per Year.** According to Inside Higher Ed, “New America, a Washington think tank, released an analysis early this morning that suggests the cuts to work-study and SEOG may help protect Pell spending, although the analysis suggested that Pell may still be vulnerable down the road. The analysis notes that the programs being proposed for cuts or elimination serve low-income students -- with evidence that work-study has a positive impact on graduation rates of the most needy students. ‘SEOG recipients’ income levels are comparable to Pell recipients. Seventy-one percent of dependent undergraduate recipients are from families making less than $30,000 per year, and 76 percent of independent recipients earn less than $20,000,’ the analysis says.” [Inside Higher Ed, 3/16/17]

**SEOG Assistance Can Be The Difference Between Students Choosing To Attend College Or Forgoing The Opportunity**
West Virginia Higher Education Policy Commission Senior Director Of Financial Aid Brian Weingart: Financial Aid Programs Like FSEOG “Might Be The Difference Between Those Students Going To College And Not Going To College.” According to the Charleston Gazette-Mail, “President Donald Trump’s budget proposal would cut funding for several federal programs that help low-income students pay for college, programs higher education leaders in West Virginia said are crucial to students’ ability to pay for school. Trump’s budget would cut the Department of Education’s funding by $9.2 billion, or roughly 13.5 percent. These cuts rely on eliminating the Federal Supplemental Education Grant and reducing the Federal Work Study program, among other items. ‘The problem is, those programs go to our neediest students,’ said Brian Weingart, senior director of financial aid for the state’s Higher Education Policy Commission. ‘It might be the difference in those students going to college and not going to college.’” [Charleston Gazette-Mail, 3/16/17]

SEOG Has Helped Students Realize Their Dreams Of Higher Education

SEOG Helped Make It Possible For A Carnegie Mellon Student To Attend The University And Graduate With A Degree In Physics. According to the Pennsylvania Association of Student Financial Aid Administrators, “As my senior year in high school was coming towards its conclusion, questions regarding whether attending a university would even be possible for me without assistance dominated my thoughts. However, I was able to receive maximum awards for the Pell Grant, SEOG, and the Perkins Loan, in addition to institutional aid. Without funding from the cited programs, I cannot perceive the opportunity to attend this university, never mind the exciting events that have presented themselves in the brief time I have been here.’ - Carnegie Mellon University Physics Student, Class of 2015[1]” [PASFAA, accessed 5/30/17]

- Carnegie Mellon University Student: Without Funding From SEOG, Pell Grants, And Perkins Loans I Could Not “Perceive The Opportunity To Attend This University.” According to the Pennsylvania Association of Student Financial Aid Administrators, “As my senior year in high school was coming towards its conclusion, questions regarding whether attending a university would even be possible for me without assistance dominated my thoughts. However, I was able to receive maximum awards for the Pell Grant, SEOG, and the Perkins Loan, in addition to institutional aid. Without funding from the cited programs, I cannot perceive the opportunity to attend this university, never mind the exciting events that have presented themselves in the brief time I have been here.’ - Carnegie Mellon University Physics Student, Class of 2015[1]” [PASFAA, accessed 5/30/17]

SEOG And Federal Work Study Were The Only Way Emily, A Childhood Leukemia Survivor With Significant Remaining Health Problems, Could Finish Her College Degree. According to the National College Access Network, “I have a student, Emily (name changed), who due to significant medical issues resulting from childhood leukemia has had to transfer schools and programs multiple times. She has essentially exhausted her federal student loan benefits and has about 10 percent left on her lifetime Pell Grant eligibility limit. Emily has 10 classes left to finish her bachelor’s degree. Even at a state college, the cost is beyond what Emily's Social Security Income can afford. She is in a wheelchair, as she can only stand for a few minutes at a time; her immune system is compromised and she gets sick often, sometimes requiring hospitalization, which precludes her from obtaining a job. Her hope is that she can finish her degree and get a job as an editor for math and science textbooks, essentially working from home. Eventually she would like to work in online publishing. Federal Work-Study and SEOG are the few financial aid programs that Emily might benefit from. The only way she can work is if she is on campus, as work-study jobs tend to have more flexibility than traditional jobs, and her hospitalizations would not be cause for firing. She still has one semester left of partial Pell eligibility, which also grants her SEOG eligibility. These, along with state funds, might allow her to finish her degree. Because she plans to work in an educational field, Emily's hope is to work for a non-profit and benefit from PSLF. As her medical condition is very expensive and limits her employment options, she needs PSLF in order to be financially secure.” [National College Access Network, 5/25/17]
TRUMP'S BUDGET PROPOSAL ELIMINATED FEDERALLY-SUBSIDIZED STUDENT LOANS, MAKING IT MORE EXPENSIVE FOR YOUNG PEOPLE TO EARN COLLEGE DEGREES

Trump’s Budget Proposal Eliminated Federally Subsidized Loans To Pay Students’ Loan Interest While They Were In School. According to The New York Times, “The Trump administration is proposing large cuts to the federal student loan program for low-income college students. The proposal eliminates federally subsidized loans, which pay students’ loan interest while they are in school, saving $39 billion. The budget would also eliminate the public service loan forgiveness program for nurses, police officers and teachers.” [New York Times, 5/23/17]

- Federally Subsidized Loans Allow Qualifying Undergraduate Students To Borrow Up To $23,000 Over Four Years In College While The Government Paid The Interest. According to The Associated Press, “In a budget document made public Monday night, the administration seeks to save just over $1 billion by doing away with the subsidized student loan program. For undergraduate students who qualify, the government pays the interest while they remain in college. Students can borrow up to $23,000 during their four years in college. The current interest rate is 3.76 percent.” [Associated Press, 5/23/17]

- Low-Income Students Are Able To Have The Government Pay The Interest On Their Loans While They Were In School For Six Months After They Left And For Their First Deferment. According to MarketWatch, “The budget proposes to eliminate a program that subsidizes borrowing for low-income students by having the government pay the interest on their loans while they’re in school, for the first six months after they leave as well the first time they use what’s known as a deferment to postpone payments on their loans.” [MarketWatch, 5/23/17]

- About 7 Million Students Per Year Received Subsidized Loans. According to CNN Money, “More than 6.9 million borrowers received a subsidized loan this year, for a total of $22.6 billion. Next year, the Trump budget proposes shifting some money toward unsubsidized loans, which do accrue interest while you're in school.” [CNN Money, 5/23/17]

Trump’s Proposal Would Be The First Time That College Students With Stafford Loans No Longer Had The Interest On Those Loans Subsidized While In School. According to The Connecticut Mirror, “The Trump budget also would end a loan forgiveness program for college students who commit to working after graduation for at least 10 years in a public service job, such as a teacher or police officer. Also, for the first time, college students with Stafford loans would no longer have the interest on those loans subsidized while they are in school. The budget also would cut state grants for career and technical education by $166 million, and nearly halve funding for the roughly $1 billion federal work-study program.” [Connecticut Mirror, 5/23/17]

The Subsidy Cut Would Amount To Nearly $40 Billion Over The Next Decade. According to the White House Office of Management and Budget, the budget would “Eliminate subsidized student loans,” which would decrease the deficit by $1,052,000,000 in 2018 and by $38.873 billion over the next decade. [White House Office of Management and Budget, 5/23/17]

The Trump Budget's Student Loan Proposals Would Apply To New Loans As Of July 1, 2018, Except For Those Used By People Borrowing In Order To Finish Their Current Course Of Study. According to the White House Office of Management and Budget, “To support this streamlined pathway to debt relief for undergraduate borrowers, and to generate savings that help put the Nation on a more sustainable fiscal path, the Budget eliminates the Public Service Loan Forgiveness program, establishes
reforms to guarantee that all borrowers in IDR pay an equitable share of their income, and eliminates subsidized loans. These reforms will reduce inefficiencies in the student loan program and focus assistance on needy undergraduate student borrowers instead of high-income, high-balance graduate borrowers. All student loan proposals apply to loans originated on or after July 1, 2018, except those provided to borrowers to finish their current course of study.” [White House Office of Management and Budget, 5/23/17]

Eliminating Subsidized Loans Would Increase A Borrower's Debt Burden By As Much As $4,350

A Student Who Borrowed The Maximum In Subsidized Federal Loans Would See Total Payments Increase By 15 Percent Over A 10-Year Repayment Period Without Subsidies, Amounting To $4,350 In Added Debt. According to Consumer Reports, “Some 6 million students per year receive subsidized loans. The interest deferral can make a big difference, especially for low-income students. According to an analysis by the nonprofit Institute for College Access & Success, for someone who borrowed the maximum in subsidized federal loans ($23,000), eliminating the subsidy would mean a 15 percent increase in total payments, or $4,350, over a 10-year repayment period.” [Consumer Reports, 5/23/17]

- **Without The Subsidies, Students With Stafford Loans Would Have Extra Interest Tacked Onto The End Of The Loan Which They Would Be Required To Repay.** According to Business Insider, “Other changes in the Trump budget would cut out subsidies for low- and moderate-income students. With the subsidies, the government steps in and pays interest on the loans while a low- or moderate-income student is still in college or after college if there's a period when a borrower is temporarily not working. Without the subsidies, students with Stafford loans are freed from paying interest while in school, but the extra interest is tacked onto the end of the loan and must eventually be repaid.” [Business Insider, 5/22/17]

Education Trust Governmental Affairs Director Kelly McManus: Moving Away From Subsidized Loans While Freezing The Pell Grant “Will Absolutely Make College More Expensive In The Long Run And Lead To More Debt For Low-Income Students.” According to Diverse, “The implementation of Trump’s education budget widens the already devastating gap between low-income, first-generation students aiming to progress and the upper middle class, said Kelly McManus, director of governmental affairs for The Education Trust. She added that freezing the Pell grant and moving away from subsidized loans ‘will absolutely make college more expensive in the long run and lead to more debt for low-income students.”’ [Diverse, 5/23/17]

Trump’s Released His Budget Just After Americans Had Officially Borrowed More Money Than At The Height Of The 2008 Housing Bubble

May 2017: “Americans Have Now Borrowed More Money Than They Had At The Height Of The Credit Bubble In 2008, Just As The Global Financial System Began To Collapse.” According to The New York Times, “It took nearly a decade, but debt has made a comeback. Americans have now borrowed more money than they had at the height of the credit bubble in 2008, just as the global financial system began to collapse. The Federal Reserve Bank of New York said Wednesday that total household debt in the United States had reached a new peak — $12.7 trillion — in the first three months of the year, another milestone in the long, slow recovery of the nation's economy.” [New York Times, 5/17/17]

New York Times: “One Of The Major Factors Behind The Latest Debt Binge Has Been Student Loans, A Mounting Burden” Which Raised Fear That Ballooning Debt Could Prompt “A New Wave Of Defaults, Much Like The One That Accompanied The Mortgage Meltdown A Decade Ago.” According to The New York Times, “One of the major factors behind the latest debt binge has been student loans, a mounting burden that can stifle economic growth by preventing Americans from buying homes or
spending on big-ticket consumer items. The fear is that ballooning debt from student loans — and from auto loans and credit cards — could put many Americans back into a hole, prompting a new wave of defaults, much like the one that accompanied the mortgage meltdown a decade ago.” [New York Times, 5/17/17]

As Mortgage Debt Fell As A Percentage Of Household Debt, Student Loan Debt Doubled, Rising From 5% In 2008 To 11% Today. According to The New York Times, “The fear is that ballooning debt from student loans — and from auto loans and credit cards — could put many Americans back into a hole, prompting a new wave of defaults, much like the one that accompanied the mortgage meltdown a decade ago. […] And households today are borrowing differently than they did nine years ago. Student loan debt, driven by soaring tuition costs, now makes up 11 percent of total household debt, up from 5 percent in the third quarter of 2008. By comparison, mortgage debt is 68 percent of total debt, down from 73 percent during the same period. The household debt figures are not adjusted for inflation.” [New York Times, 5/17/17]

Student Borrowers Owed More Than Twice What Was Owed In 2008 With $1.3 Trillion In Debt. According to The New York Times, “Student borrowers today owe $1.3 trillion, more than double the $611 billion owed nearly nine years ago. About one in 10 student borrowers is behind on repaying the loans, the highest delinquency rate of any type of loan tracked by the New York Fed’s quarterly household debt report.” [New York Times, 5/17/17]

2016 Was The 18th Consecutive Year In Which Total U.S. Student Debt Increased. According to Bloomberg, “Total U.S. student debt hit a record $1.31 trillion last year, the 18th consecutive year Americans' education debt rose, according to the Federal Reserve Bank of New York.” [Bloomberg, 2/17/17]

44 Million People Carried An Average Debt Of $34,000, With About $90 Billion Per Year In Interest Alone. According to an opinion by StudentLoanJustice.org founder Alan Collinge in The Hill, “By the end of next year, the country will pass the $2 trillion mark. This debt is strapped to 44 million people in the country, who carry an average debt of $34,000. Interest alone on this amount is about $90 billion per year.” [Alan Collinge – The Hill, 3/1/17]

Student Loan Debt Surpassed Credit Card Debt In 2010 And Auto Loan Debt In 2011. According to TIME, “For example, student loan debt exceeded credit card debt in 2010 and auto loans in 2011, and it passed the $1 trillion mark in 2012. But these milestones don't tell us much about the impact of all that debt on the students who must borrow to pay for a college education.” [TIME, 1/11/16]

A Borrower Defaults On A Federal Student Loan Every 28 Seconds


New York Fed's Quarterly Household Debt Report: About One In 10 Student Borrowers Was Behind On Repaying The Loans, The Highest Delinquency Rate Of Any Type. According to The New York Times, “Student borrowers today owe $1.3 trillion, more than double the $611 billion owed nearly nine years ago. About one in 10 student borrowers is behind on repaying the loans, the highest delinquency rate of any type of loan tracked by the New York Fed’s quarterly household debt report.” [New York Times, 5/17/17]