



Legislation Text

File #: 21-1063, Version: 1

Dept/ Agency: Offices of Municipal Council/City Clerk

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Urging Support of Student Debt Cancellation

Purpose: To join municipalities in urging President Joseph R. Biden to cancel Federal student loan debt.

Sponsor: Council Member, LaMonica R. McIver

Additional Information:

Urging the Federal government to enact a plan to cancel all student loan debt, or for President Joseph R. Biden to use his executive authority to cancel all Federal student loan debt, and begin the transition to education as a public good.

WHEREAS, cancelling student loan debt and eliminating debt in higher education represents an enormous economic opportunity for the City of Newark (the “City”) to increase spending in our local community, support individuals’ upward mobility, and provide a deeply needed stimulus during the pandemic; and

WHEREA economically disadvantaged residents from Black, Latino, Indigenous, Asian and Pacific Islander, and other communities of color are most impacted by student debt; and

WHEREAS, the City of Newark is New Jersey’s largest city made up primarily of Black communities, communities of color; and immigrant communities with a rich tradition and history of pursuing social and economic justice; and

WHEREAS, student loan debt is another factor that drags families deeper into poverty, further exacerbating the City’s already high poverty rate which is twice the poverty rate of New Jersey and nearly three times the national poverty rate; and

WHEREAS, New Jersey has among the highest student debt levels in the nation, leading to especially arduous debt loads for students in one of the most expensive states in the nation; and

WHEREAS, New Jersey has the third highest cost of attendance in the nation for in-state, full-time students at the average of \$26,070.00 per year; and

WHEREAS, New Jersey is one of the top five states for student loan debt levels with the average graduate leaving school with approximately \$34,387.00 in loans; and

WHEREAS, the cost of New Jersey public universities is over half the typical income for Black and Latina/Latino families in the state, and even after calculating the average price of attendance, after financial aid, at New Jersey’s public four-year schools the cost represents about a third of household income for the states Black and Latina/Latino families, compared to just seventeen percent (17%) for the state’s Caucasian families; and

WHEREAS, twenty-one percent (21%) of student loan holders in Black communities, communities of color and immigrant communities in Essex County, where the City of Newark is located, are in default, compared to four percent (4%) of Caucasian within the County; and

WHEREAS, the cost of higher education in New Jersey today serves to reinforce the racial wealth gap in the state and creates extreme financial burdens on students with the greatest financial need, particularly working-class students. Instead of supporting our students in their efforts to pursue higher education, the student loan system has increasingly relied on working class students to foot the bill for college; as a result, it is holding Black students, students of color, and immigrants students back from economic mobility and exacerbating the racial wealth gap; and

WHEREAS, debt is associated with negative mental and physical health outcomes, such as stress, depression, obesity, and early mortality, abolishing student debt also represents an incredible opportunity for the City to provide better overall health outcomes to the general population; and

WHEREAS, cancelling student debt is a policy that is strongly supported across all political parties and across the country, but especially here in the City of Newark; and

WHEREAS, student debt cancellation is only one step toward the establishment of an equitable, accessible higher education system; and

WHEREAS, Chicago, Boston, Philadelphia, Washington, DC, Cambridge, MA, and Somerset, MA have passed resolutions calling on the Federal government to cancel Federal student loan debt; and

WHEREAS, the United States government, and the Higher Education Act of 1965, gives the President and Secretary of Education the authority to cancel Federal student loan debt.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Municipal Council of the City of Newark hereby urges the Federal government to enact a plan to cancel all student loan debt, or for President Joseph R. Biden to use his executive authority to cancel all Federal student loan debt and begin the transition to education as a public good.
2. A certified copy of this resolution shall be sent to the Office of President Joseph R. Biden, Senator Robert Menendez, Senator Cory A. Booker and Congressman Donald Payne, Jr.

STATEMENT

The Municipal Council of the City of Newark, New Jersey, along with municipalities throughout the nation supports the cancellation of all Federal student loan debt within the United States.