



## **AccessLex Supports President Biden's FY23 Budget Request to Invest in HBCUs and Other Minority Serving Institutions and Ease Student Loan Burdens**

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WEST CHESTER, PA, March 29, 2022 — AccessLex Institute is pleased to support President Biden's Fiscal Year (FY) 2023 budget request which proposes much-needed investments in Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs), commits to working with Congress to strengthen and improve programs that minimize the impact of student loan debt, and eliminates the tax burden for borrowers receiving student loan forgiveness.

Title III of the Higher Education Act (HEA) authorizes certain levels of funding for HBCUs and other MSIs, but these levels have not been met. HBCUs play an outsized role in educating Black students—they represent 3 percent of all colleges and universities but enroll 10 percent of Black undergraduates and award 17 percent of bachelor's degrees earned by Black students. However, funding and resources for HBCUs and other MSIs lag behind those at institutions that serve predominately White students. AccessLex Institute applauds President Biden's commitment to ensuring that these institutions, as well as other low-resourced schools, receive the necessary funding to increase institutional capacity, expand research, and develop infrastructure with a \$752 million increase in funding. Title III of HEA would receive \$102 million (a \$15 million increase) for the Strengthening Historically Black Graduate Institutions program, which provides grants to law, medical and other graduate programs. This increase would enable more students of color to pursue their educational dreams, which would not only benefit individual graduates but would also strengthen local communities and the economy.

We also applaud the Biden-Harris Administration for lending its support to Congress to strengthen and improve the Public Service Loan Forgiveness (PSLF) and income-driven repayment (IDR) programs. It is no secret that many borrowers are struggling financially under the weight of their student loan debt. Luckily, with student loan resumption on the horizon, programs like IDR can ease the burden of student loan debt by allowing borrowers to pay smaller monthly payment amounts. Additionally, PSLF encourages individuals to pursue and persist in public service careers that benefit communities across this country by promising debt forgiveness after 10 years of service. Strengthening these programs is critical for ensuring that low-income borrowers, including graduate and professional borrowers who may struggle with repayment but who are often overlooked or penalized in the federal student loan reform discussion, are supported.

Lastly, AccessLex Institute supports the proposal to permanently exclude forgiven student loan amounts from taxable income. In 2021, the *American Rescue Plan Act* excluded from taxable income forgiveness or discharge of a federal student loan through 2025. It was our belief that this provision should have been permanent, and we are encouraged to see that the President's FY 2023 budget request would do

just that, as well as extend this benefit to private student loans. Borrowers who receive loan forgiveness are the least likely to be able to afford a huge tax bill and Congress should ensure that these individuals are supported through repayment and through forgiveness.

We look forward to working with Congress and the Biden-Harris Administration in their efforts to increase funding to HBCUs and other MSIs, improve the PSLF and IDR programs, and permanently exclude loan forgiveness from taxable income.

Read our letter to Congress regarding HEA Title III funding [here](#).

Read our HEA recommendations [here](#).