

[By Taylor Dobbs](#)

Rep. Peter Welch, D-Vt., was at the University of Vermont today, but he wasn't making any speeches. Instead, Welch was all ears as students told him about their financial situations, debt and jobs.

Students will face another financial hurdle on July 1, when the interest rate on federally subsidized Stafford loans is set to double from 3.4 percent to 6.8 percent.

According to U.S. Department of Education projections, 21,007 students in Vermont will take out \$78,775,944 in Stafford loans. Nationwide, more than 9 million students are projected to take out \$31.6 billion in Stafford loans.

Welch heard from about 15 students in a wide range of financial situations during an hour-long visit at UVM's Davis Center.

Julian Golfarini, a 23-year-old senior at UVM, said he feels lucky because he doesn't face any debt when he graduates next month. He said the fact that he is debt-free doesn't mean the system is working. Golfarini, UVM's former student body president, attended a conference in Washington, D.C., this spring with 100 other student body presidents from around the country, and he said tuition costs and student debt were "issue number one" at the conference.

"You're punishing the wrong people in the students," Golfarini said.

Leahn Bass is a junior at UVM majoring in social work. Unlike Golafarini, she does have debt – about \$20,000 of which comes in the form of federal loans like the Stafford loan. The 25-year-old works full time in social work as she continues her studies as a full-time student at UVM. The income helps pay for her education and support her and her 5-year-old son.

Welch's focus as he collects stories like Bass' is the July 1 interest rate hike, but he is also taking a look at the economics of higher education at large. His sentiments echoed President Barack Obama's remarks in this year's state of the union address, when he said tuition increases are also to blame for the more than \$1 trillion of student debt in the U.S.

Welch said that in addition to government regulations, university administrators were responsible for keeping their tuition in check.

"We've got to look to the administrations of the schools to find creative ways to keep those tuition increases at or below the inflation rate," Welch said.

Gavin Caster, a 21-year-old majoring in economics at UVM, said the solutions didn't even necessarily have to be creative.

"It wouldn't even have to be a creative process," he said. "It would just have to be a more intellectually and rigorously honest process" of looking through school's budget and taking time to examine if certain increases were really necessary.

Part of the problem, Caster said, is that loans are currently subject to market trends, with private corporations holding the loans and therefore controlling students' financial situations. He suggested isolating the loans from market pressures, keeping the rates low, and – perhaps most importantly – reducing the overall use of loans to pay for college.

"If you isolate loans and reduce them," he said, "you'll inherently control tuition."

While there was a consensus today at UVM, the issue in Washington is divisive. Welch said he was happy to see the House of Representatives pass legislation that would prevent the interest hike, but that it was hard to see it as a win since the GOP-backed legislation makes up the difference using money currently designated for health care. Democrats would like to see the money steered from subsidies to oil companies. Welch said there might be another way.

"My preference would be that we work together on the larger question of college affordability. Not pitting health care and oil company subsidies against each other," he said. "The big issue is: Are there some ways we can pay for this by easing regulatory burdens, by providing incentives for college administration to find ways to lower tuition increases?"

Welch said he is determined to get an agreed-to piece of legislation through before July 1, and he plans to use the stories collected at UVM today and on his website to make his points on the floor in Washington.

While the details are still uncertain, Welch said his ultimate goal is to keep students in school, and to make sure as many as possible could pay for an education.

"The broad question here is college affordability," Welch said.