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Your Community College

# Hancock's role when college gets costlier | Kevin G. Walthers

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Contributed

The cost of college has never felt higher for working families. While Congress just approved the most sweeping changes to student loans in more than a decade, the reality for many students, especially those from modest backgrounds, is that paying for higher education is only getting harder.

This summer's federal budget reconciliation act, signed on July 4, incorporates many of the goals of the College Cost Reduction Act and reshapes how students borrow, repay, and plan for college.

Beginning July 1, 2026, income-driven repayment plans will consolidate into a single option, with payments based on adjusted gross income rather than discretionary income.



Borrowing limits will also tighten. Graduate students will face a lifetime cap of $100,000, and Parent PLUS loans will be limited to $50,000 per child. These measures aim to reduce runaway debt, but they also risk steering families toward private loans, which have fewer protections and less flexibility.

At the same time, another trend has quietly unfolded closer to home: states, including California, have steadily reduced their investment in public colleges, shifting the burden onto students and their families.

From the GI Bill through the 1990s, public colleges were largely funded by state appropriations. That investment expanded economic opportunity: more educated residents meant stronger wages, more civic participation, and less reliance on public assistance.

But since the early 2000s, tuition revenue has overtaken state funding as the primary source of support for many public institutions.

In California, community college fees rose from $11 per unit in the early 2000s to $46 today. Costs at four-year universities have climbed even higher. And when state budgets tighten, higher education is often one of the first areas cut, effectively imposing a hidden tax on families who can least afford it.

The impact is most severe for low- and middle-income students, many of them the first in their families to pursue higher education. These students are also most vulnerable to the lure of for-profit colleges where, in the words of the Federal Reserve Bank of New York, “enrollment leads to worse student loan outcomes for students than enrolling in a public college or university.”

This is why the work we do at Allan Hancock College matters so deeply. We provide a pathway for local families to access higher education without shouldering crushing debt.

Through the Hancock Promise, supported by the AHC Foundation, local high school graduates and returning military students have their tuition fully covered as long as they make steady progress toward a degree.

We also support students with the cost of textbooks through online resources, book loan programs, and grants for those with financial need.

Our President's Circle fund also helps students with unexpected financial struggles.

The results are powerful. For example, students from the Santa Maria Joint Union High School District and Lompoc Unified School District who apply to the CSU system are admitted at a rate of 98 percent (no, that's not a typo).

However, fewer than one-third of those students enroll in a CSU right after high school. Instead, most begin at Hancock and take advantage of the Hancock Promise. Two years later — after completing 48 units on average —more than 60 percent of those students transfer to a four-year university.

That's real upward mobility.

Families already struggling to pay for college will feel the brunt of these new loan rules.

Fortunately, Hancock continues to be a lifeline, offering high-quality education at a price that keeps opportunity within reach.

We are proud to help our community, particularly students from working families, change the odds through education.

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