



April 17, 2026

NY State Legislature
Legislative Office Building
Albany, NY 12248

Re: Supporting Workforce Development Through a State-Facilitated Student Loan Program

The Business Council of New York State supports the development of a state-facilitated student loan program to address growing workforce challenges and to insulate the State's economy from shocks caused by recent changes to federal loan programming.

The federal government's graduate PLUS loan program for interest subsidized loans is set to be discontinued for new borrowers as of July 1, 2026. Previously, the PLUS loans program allowed students to cover the full cost of their education through loans. The federal government is considering other changes as well, such as new limits for unsubsidized loan amounts for graduate and professional students, including lifetime aggregate borrowing limits. Such limitations may lead to lower enrollment due to unaffordability, especially concerning as higher education costs within New York State are typically higher than the nationwide average.

Employers across the state are experiencing persistent workforce shortages in critical industries, including healthcare, education, technology, and advanced manufacturing. Access to higher education remains essential to preparing the skilled workforce needed to meet these demands.

The consequences for New York's economy are clear: fewer graduates, increased hiring challenges, and constrained business growth.

A state-facilitated student loan program can help address these challenges by ensuring continued access to financing for students pursuing degrees in high-need fields. This approach will support workforce development, strengthen economic growth, and help maintain New York's competitiveness.

Such a program would:

- Help preserve access to higher education
- Strengthen the pipeline of skilled workers
- Support employer needs across key industries
- Sustain economic activity in communities statewide

Already, 10 other states either have or are working to create their own state-based loan program to supplement federal aid and to decrease enrollment concerns. These programs are designed to support on remaining costs after all other federal and state aid have been exhausted in order to better students in meeting the total costs of their educational pursuits.

New York has long recognized the connection between higher education and economic success. In the face of federal changes, state action is necessary to protect both.

For these reasons, the Business Council supports efforts to establish a state-facilitated student loan program.

Sincerely,

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