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Fall 2009

SB15-09/10: Student Aid and Fiscal Responsibility Act of 2009

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John Wilke

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1 **The Associated Students of The University of Montana**
2 **Resolution Regarding Student Aid and Fiscal Responsibility Act of 2009**
3 **Senate Bill SB15-09/10**
4 **Authored by Senators Casey Smartt and John Wilke**
5 **Sponsored by Senator Ashleen Williams**
6
7

8 Whereas, the cost of college tuition for a four-year degree at a public university has risen
9 by almost 51% over the last 10 years;

10
11 Whereas, over two-thirds of college students in the United States graduate with student
12 loans;

13
14 Whereas, the average college graduate debt in the United States is \$22,700;

15
16 Whereas, starting in 1965 the federal government has helped students finance college
17 through the Federal Family Education Loan program (FFEL);

18
19 Whereas, the FFEL system operates as a lucrative form of corporate welfare, offering a
20 guaranteed rate of return for banks and other middlemen, who provide capital for student
21 loans;

22
23 Whereas, when college students are unable to repay their debts, taxpayers are required by
24 law to reimburse the banks for 97% of the losses;

25
26 Whereas, The Student Aid and Fiscal Responsibility Act of 2009 (SAFRA) aims to
27 terminate FFEL and replace private lending with direct government loans to students;

28
29 Whereas, SAFRA makes college more affordable for 8.5 million more students;

30
31 Whereas, the restructuring of the federal student loan system would save taxpayers \$87
32 billion over the next ten years;

33
34 Whereas, of the \$87 billion saved by SAFRA, \$40 billion would then be reinvested to
35 increase individual Pell Grants by fourteen hundred dollars;

36
37 Whereas, increasing Pell Grants by fourteen hundred dollars could aid five million more
38 students in paying for college;

39
40 Whereas, under SAFRA, 40 million more students would qualify to receive Pell Grants;

41
42 Therefore, let it be resolved, that the Associated Student of the University of Montana
43 (ASUM) offers its endorsement the Student Aid and Fiscal Responsibility Act of 2009;

44
45 Let it be further resolved that ASUM urges Senator Max Baucus and Senator John Tester
46 to support the Student Aid and Fiscal Responsibility Act of 2009;

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Let it be further resolved that a copy of this resolution be distributed to all interested, and pertinent, parties including the offices of Senators Baucus and Tester.

Passed by Committee: _____, 2009

Passed by Senate: _____, 2009

54 Andrew Dusek,
55 Relations and Affairs Chair
56
57

Emily May,
Chair of the Senate