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Fall 2009

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

Casey Smartt

John Wilke

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#### Recommended Citation

Smartt, Casey and Wilke, John, "SB15-09/10: Student Aid and Fiscal Responsibility Act of 2009" (2009).  
*Senate Resolutions, 2007-Present*. 258.

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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**  
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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;

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

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

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

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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;

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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;

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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;

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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