Fall 2009

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

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The Associated Students of The University of Montana

Resolution Regarding Student Aid and Fiscal Responsibility Act of 2009

Senate Bill SB15-09/10

Authored by Senators Casey Smartt and John Wilke

Sponsored by Senator Ashleen Williams

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Andrew Dusek.
Relations and Affairs Chair

Emily May,
Chair of the Senate