

MEMORANDUM

Agenda Item No. 11 (A) (16)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: December 6, 2011

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution urging the U.S.
Congress and the U.S.
Department of Education to
directly support the economic
recovery by reducing the burden
of current student loan debt

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/jls



MEMORANDUM

(Revised)

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Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(16)
12-6-11

RESOLUTION NO. _____

RESOLUTION URGING THE U.S. CONGRESS AND THE U.S.
DEPARTMENT OF EDUCATION TO DIRECTLY SUPPORT
THE ECONOMIC RECOVERY BY REDUCING THE BURDEN
OF CURRENT STUDENT LOAN DEBT

WHEREAS, recent college graduates are often entering an economy with reduced job opportunities and jobs with lower starting pay in comparison to decades before; and

WHEREAS, due to the significantly increased cost of obtaining higher education and resulting higher debt obligations, many new college graduates are left with student debt which exceeds their ability to pay; and

WHEREAS, according to a study released in May 2011 by the John J. Heldrich Center for Workforce Development at Rutgers University, recent college graduates entered the working world with a median student debt of \$20,000, but compounding this burden, only 56 percent of 2010 graduates were able to find work following completion of their studies; and

WHEREAS, this Rutgers study also revealed that the median starting salary of students graduating in 2009 and 2010 was 10 percent lower than the salary received by those who entered the workforce in 2006 and 2007; and

WHEREAS, the William D. Ford Federal Direct Loan Program is one of several loan programs the federal government offers to students attending college or career schools; the Direct Loan Program requires students to begin making loan payments with interest six months after they drop below half-time enrollment in an eligible program, and if they do not make payments, students risk losing repayment incentives or going into default; and

WHEREAS, new data released in September of 2011 by the U.S. Department of Education shows a sharp increase in the rate at which student loan borrowers are defaulting; the official "two-year cohort default rates" show that 8.8 percent of student loan borrowers who entered repayment in 2009 had defaulted by the end of 2010, up from 7 percent for those entering repayment in 2008; and

WHEREAS, the federal government has taken some steps to assist graduates by expanding flexible loan repayment options for borrowers through the income-based repayment plan (IBR), making loan payments more affordable by capping the monthly payment at an amount based on income and family size; and

WHEREAS, House Resolution 365, currently pending in the House Education and the Workforce Committee, expresses the sense of the House of Representatives that: (1) reducing the rate of personal debt is as vital to our economic health as addressing the federal debt and debt limit; and (2) Congress should cut our true debt burden by reducing home mortgage balances, forgiving student loans, and bringing down overall personal debt, and declares that helping U.S. citizens become free of debt to promote personal financial security and to strengthen the nation's economy should be a top priority of the U.S.; and

WHEREAS, forgiving student loan debt and reducing interest rates could have a stimulating effect on the economy, providing borrowers additional dollars per month to spend, thus fueling the economy,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges the U.S. Congress and U.S. Department of Education to directly support the economic recovery by reducing outstanding student loan debt, such as the William D.

Ford Federal Direct loan program debt, by a minimum of 50 percent or by significantly lowering current student loan interest amounts enough to make a meaningful reduction in monthly individual student loan payments, or both.

Section 2. Directs the Clerk of the Board to transmit a certified copy of this resolution to the members of the Florida Congressional Delegation and the U.S. Secretary of Education.

Section 3. Directs the County's federal lobbyists to advocate for the legislation set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to include this item in the 2012 Federal Legislative Package.

The Prime Sponsor of the foregoing resolution is Commissioner Rebeca Sosa. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of December, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Marlon D. Moffett