

MEMORANDUM

Agenda Item No. 11(A)(12)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: September 16, 2014

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

SUBJECT: Resolution urging the United States Congress to enact the Dynamic Repayment act of 2014, S. 2612, or similar legislation that would reform the current student loan system to improve income-based repayment options for federal student loans

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



R. A. Cuevas, Jr.
County Attorney

RAC/cp



MEMORANDUM

(Revised)

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and Members, Board of County Commissioners

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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 Mayor'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)(12)
9-16-14

RESOLUTION NO. _____

RESOLUTION URGING THE UNITED STATES CONGRESS
TO ENACT THE DYNAMIC REPAYMENT ACT OF 2014, S.
2612, OR SIMILAR LEGISLATION THAT WOULD REFORM
THE CURRENT STUDENT LOAN SYSTEM TO IMPROVE
INCOME-BASED REPAYMENT OPTIONS FOR FEDERAL
STUDENT LOANS

WHEREAS, on July 1, 2013 the interest rate of federal subsidized student loans—
federal student loans offered to those with financial need—would have doubled from 3.4 percent
to 6.8 percent without action by Congress; and

WHEREAS, on July 16, 2013, this Board adopted Resolution No. R-637-13, which
urged the U.S. Congress and U.S. Department of Education to reform the current student loan
system, through stemming the rising cost of college, reducing interest rates on all federal student
loans, and alleviating the burden of current student loan debt through refinancing and better
consumer protection, a copy of which is attached and incorporated by reference; and

WHEREAS, on July 31, 2013, the U.S. Congress passed the Bipartisan Student Loan
Certainty Act of 2013, tying federal student loan rates to financial markets; and

WHEREAS, on July 1 2014, undergraduate Stafford loan interest rates increased from
3.86 percent to 4.66 percent; and

WHEREAS, on July 16, 2014, U.S. Senators Mark Warner (D – Virginia) and Marco
Rubio (R – Florida) introduced the Dynamic Repayment Act of 2014, S. 2612, which would
consolidate, simplify and improve income-based repayment options for federal student loans;
and

WHEREAS, under the Dynamic Repayment Act of 2014:

- student loan payments would be limited to 10 percent of borrower paychecks;
- student loan forgiveness would be tiered by debt load;
- interest would not compound during repayment of student loans;
- students would have a single loan, rather than a complicated array of loans, subsidies, deferments, forbearance and repayment options; and

WHEREAS, student loan debt has eclipsed credit card debt as the second largest financial obligation of United States households, totaling over \$1.2 trillion; and

WHEREAS, more than 40 million Americans hold student loan debt; and

WHEREAS, existing income-based student loan repayment programs are underutilized because the system is too complicated; and

WHEREAS, nearly 15 percent of student loan borrowers default on their debt within three years of beginning repayment; and

WHEREAS, defaulting on student loans can be ruinous for the borrower and is also expensive for the government,

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

Section 1. Urges the United States Congress to enact the Dynamic Repayment Act of 2014, S. 2612, or similar legislation that would reform the current student loan system to improve income-based repayment options for federal student loans.

Section 2. Directs the Clerk of the Board to transmit a certified copy of this resolution to the members of the Florida Congressional Delegation, U.S. Senator Mark Warner, and U.S. Senator Marco Rubio.

Section 3. Directs the County's federal lobbyists to advocate for the passage of the legislation as set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2014 Federal Legislative Package to include this item

and to include this item in the 2015 Federal Legislative Package when it is presented to the Board.

The Prime Sponsor of the foregoing resolution is Chairwoman 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:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of September, 2014. 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.

MP

Matthew Papkin