

INTERIM STUDY PROPOSAL 2015-139

REQUESTING THAT THE ARKANSAS LEGISLATIVE COUNCIL AND THE HIGHER EDUCATION SUBCOMMITTEE OF THE ARKANSAS LEGISLATIVE COUNCIL CONDUCT A STUDY OF STUDENT DEBT FROM HIGHER EDUCATION, INCLUDING THE AMOUNT OF STUDENT DEBT, THE IMPACT OF STUDENT DEBT ON GRADUATES, AND POSSIBLE SOLUTIONS TO REDUCING THE STUDENT DEBT BURDEN.

WHEREAS, the amount of student debt incurred by students attending institutions of higher education has increased substantially over the last decade; and

WHEREAS, the amount of general revenue funding for state-supported institutions of higher education has remained stagnant over the last decade; and

WHEREAS, the estimated student loan debt for Arkansas students who graduated in 2013 is three hundred ninety-seven million seven hundred seventy-eight thousand five hundred dollars (\$397,778,500); and

WHEREAS, nearly six hundred seventy-five million five hundred forty-six thousand six hundred ten dollars (\$675,546,610) was borrowed by Arkansas students during the 2013-2014 school year; and

WHEREAS, fifty-five percent (55%) of graduating Arkansas seniors in 2013 graduated with student loan debt; and

WHEREAS, the average student loan debt for an Arkansas student who graduated in 2013 was twenty-five thousand three hundred seventy-five dollars (\$25,375); and

WHEREAS, it is a significant challenge for new graduates who are just beginning a career to carry student loan debt; and

1 WHEREAS, student loan debt can make it difficult for young people to
2 fully participate in the economy, as student loan debt can prevent a graduate
3 from obtaining a mortgage or loan; and
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5 WHEREAS, in many cases, a graduate's first job does not generate enough
6 income to allow a student to repay student loans,
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8 NOW THEREFORE,

9 BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETIETH GENERAL
10 ASSEMBLY OF THE STATE OF ARKANSAS:
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12 THAT the Arkansas Legislative Council and the Higher Education
13 Subcommittee of the Arkansas Legislative Council conduct a study of student
14 debt from higher education, including the amount of student debt, the impact
15 of student debt on graduates, and possible solutions to reducing the student
16 debt burden from higher education by creating a profile of students who are
17 currently taking out student loans and identifying the issue of why,
18 including an examination of the amount of loans and the potential impact of
19 those loans on students and student loan default rates. The study may also
20 recognize the role that Congress plays in the establishment and rules of
21 federal student loan programs and issue recommendations that can be forwarded
22 to the Arkansas Congressional delegation. The study should also review ways
23 to increase participation by parents in the Arkansas 529 College Savings
24 Program as a means of reducing the necessity for student loans.
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26 BE IT FURTHER RESOLVED THAT by July 1, 2017, the study be completed and
27 a report presented to the Speaker of the House of Representatives and the
28 President Pro Tempore of the Senate.
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30 Respectfully submitted,
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34 Representative Greg Leding
35 District 86
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