

Resolution to Address the Student Debt Crisis

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3 **WHEREAS** higher education not only a personal benefit, but is an investment the
4 community makes in a well-prepared, diverse and growing workforce;

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6 **WHEREAS** student debt now totals \$1.2 trillion, second only to mortgage debt;

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8 **WHEREAS** the Federal government and Sallie Mae, by charging exorbitant interest
9 rates on these loans, are profiting unconscionably from this debt, half of which is paid
10 to predatory for-profit colleges and technical schools;

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12 **WHEREAS** half of student debt is incurred with for-profit schools that inflate their
13 degree completion and job placement rates, leaving students with huge debts and no
14 viable degree;

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16 **WHEREAS** student debt is limiting our economic recovery by slowing savings,
17 marriage, household formation, mobility, new business start-ups and first-home
18 purchases;

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20 **WHEREAS** at the University of Washington, tuition increased 118% from 2002 to 2012,
21 and taxpayer support went from 70% to 30% of the cost of a degree;

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23 **WHEREAS**, in Washington, the average amount of debt a college student carries is
24 about \$23,000, according to the Project on Student Debt; and

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26 **WHEREAS** today's students did nothing to cause this inequity, yet due to
27 disinvestment in higher education, we taxpayers have shifted the burden from public
28 support to personal debt;

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30 **THEREFORE BE IT RESOLVED** that we Democrats urge our legislative and
31 congressional candidates to commit to making reduction of student debt a campaign
32 priority by supporting the following policy proposals:

- 33 • Reverse the 2006 Federal bankruptcy law that excludes student debt from
34 discharge orders regardless of circumstances;
- 35 • Reduce interest rates on federally-backed loans to their cost and limit the profit
36 Wall Street banks can make on servicing them;
- 37 • Double Pell grant funding and eliminate bank transaction fees on Pell grants
38 withdrawn with debit cards;
- 39 • Make tuition affordable for state residents by returning to state support (provide
40 70% of the cost of higher education [i.e., 2002 tuition levels]) to levels which
41 enable tuition to be reduced so it does not exceed 10% of the average Washington
42 family's income;

- 43 • Adopt Pay it Forward programs (both state and federal, which enable people to
44 attend college without paying tuition in exchange for their paying a small
45 percent of their post graduate income into a pool to pay for the next generation
46 to attend college;
47 • Proactively close and prosecute for-profit schools that lure students to take on
48 huge debt with inflated graduation rates and job placement promises;
49 • Forgive tuition for advanced professional degrees in teaching or primary care in
50 exchange for 10 years of service.
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53 Submitted by the 46th LD Democrats to the 2014 Washington State Democratic
54 Convention. (Date Submitted 3/9/2014)
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56 The Subcommittee on Education amended this resolution at their May 18th meeting.
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58 The Subcommittee on Education recommended that this resolution be passed as
59 amended at their May 18th meeting.
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61 The Platform Committee affirmed the recommendation of the Subcommittee on
62 Education at their May 31st meeting.
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64 The 2014 Washington State Democratic Convention passed this resolution on June 21,
65 2014.