

BILL ANALYSIS

Senate Research Center
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By: Averitt
Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1965, President Lyndon B. Johnson signed into law the Higher Education Act establishing the Guaranteed Student Loan Program. Although this program has undergone many changes through the years, including the adoption of a new name, the Federal Family Education Loan Program (FFELP), it has consistently served the State of Texas as the most important method of delivering financial aid to students and families.

The Texas Guaranteed Student Loan Corporation, established as the state's guarantor in 1979, has delivered nearly 14 million loans to students and families at no cost to the state. These loans, exceeding \$63 billion, represent approximately two-thirds of the direct financial aid awarded to Texas students pursuing their educational goals. FFELP has not only provided loans but also created many jobs in the state, and it has become a significant economic engine through its focus on education completion and job creation. As the need for an educated workforce has increased in Texas, this public-private partnership has been at the forefront of education financing.

The not-for-profit and for-profit lenders in FFELP have led in educational outreach efforts to the state's most disadvantaged populations through programs that seek to encourage academic achievement, promote financial literacy, and provide information on making college affordable. Such assistance has enabled more Texans to fulfill their goals of achieving a better life, while enriching the state in the process.

FFELP ranks as the most successful and popular education loan program in the state and nation. In Texas, more than 94 percent of student loan dollars are delivered through FFELP and over 85 percent of secondary education institutions have chosen to participate in the program. Nationally, more than 81 percent of student loan dollars are delivered through FFELP.

For over four decades, the Federal Family Education Loan Program has promoted local participation in the education of our citizens, and this successful partnership between government and the private sector serves a vital function in delivering financial aid to Texas citizens and making significant contributions to our economy.

RESOLVED

That the 81st Legislature of the State of Texas hereby respectfully urge the United States Congress to maintain the Federal Family Education Loan Program and continue to refine and improve this crucial public-private partnership.

That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.