

Passed 26-3  
31 2/05

**AR:** 21  
**Title:** Resolution in Opposition to Cuts in the Federal Higher Education Budget for Fiscal Year 2005  
**Stage:** IN SESSION - 03/04/2005  
**Owner:** Omar Ochoa  
**Modified:** 2005-03-22

001 | **Whereas** [1] **Whereas** under President Bush's new budget announced February 7, 2005  
002 | overall funding for the Department of Education has been cut by \$530 million over  
003 | last year's reduced budget, and 48 education programs, totaling \$4.3 billion, have  
004 | been eliminated altogether.

005 |

006 | **Whereas** [2] 3,100 UT students took out approximately \$9.9 million in Perkins Loans  
007 | in 2004.

008 |

009 | **Whereas** [3] 7,400 students received Pell Grants totaling approximately \$21 million  
010 | in 2004.

011 |

012 | **Whereas** [4] According to Peter Riley, Associate Dean for Research and Facilities  
013 | for the College of Natural Sciences, "In Texas, two-thirds of all student  
014 | financial aid is in the form of federal loans, as opposed to 50 percent  
015 | nationally."

016 |

017 | **Whereas** [5] President Bush plans to eliminate the Perkins Loan program and several  
018 | other programs, all of which help prepare underrepresented populations for  
019 | college, to keep his promise of increasing federal Pell Grants by \$500 over the  
020 | next five years

021 |

022 | **Whereas** [6] The Perkins Loan Program also offers loan forgiveness to borrowers who  
023 | are employed in teaching, law enforcement, nursing, or other high-need fields  
024 | after they graduate.

025 |

026 | **Whereas** [7] Further, the president would make student loan repayments subject to  
027 | variable interest rates, driving up the costs of student loans by nearly \$5,500  
028 | for the typical student borrower.

029 |

030 | **Whereas** [8] College costs have risen at more than twice the rate of inflation, yet  
031 | the maximum Pell Grant has been frozen for three years at \$4,050.

032 |

033 | **Whereas** [9] The Department of Education has been mandated by Congress to "change  
034 | the formula for calculating aid that experts estimate will cause 84,000 students  
035 | to lose their Pell Grants."

036 |

037 | **Whereas** [10] 1.2 million Pell Grant recipients nationwide will see smaller Pell  
038 | Grants as a result of changes in calculation.

039 |

040 | **Whereas** [11] by law, colleges and universities that receive federal funds are  
041 | required to use this more stringent formula to determine eligibility for other  
042 | financial aid programs.

043 |

044 | **Whereas** [12] other programs slated for elimination under the current budget are,  
045 | Upward Bound, Talent Search, Thurgood Marshall Legal Educational Opportunity, GEAR

046 | UP and LEAP.  
 047 |  
 048 | **Whereas** [13]George Torres, assistant vice president for Government Affairs at the  
 049 | Texas Guaranteed Student Loan Corporation, said that programs such as Upward  
 050 | Bound, Talent Search and GEAR UP had been effective.  
 051 |  
 052 | **Whereas** [14]Scholarship programs such as the Robert C. Byrd Scholarship Program  
 053 | will be eliminated as well.  
 054 |  
 055 | **Therefore Be It Resolved** Student Government of the University of Texas at Austin  
 056 | calls on Congress to increase funding for Pell Grants.  
 057 |  
 058 | **Be It Further Resolved** Student Government opposes the termination of the Perkins  
 059 | Loan program.  
 060 |  
 061 | **Be It Further Resolved** Student Government opposes the termination of recruitment  
 062 | programs targeting under-represented students such as Upward Bound, Talent Search,  
 063 | Thurgood Marshall Legal Educational Opportunity, GEAR UP and LEAP.  
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#### Footnotes

A fact sheet may be found under "Downloads" (or will be in the near future).

"Federal Budget Leaves Thousands of Virginia Children Behind"

< <http://www.qualityednow.org/reports/virginia/FY2006budget/>>

"Bush's Budget may negatively affect financial aid" 2/11/05

<<http://www.dailytexanonline.com/news/2005/02/11/TopStories/Bushs.Budget.May.Negatively.Affect.Financial.Aid-861305.shtml?page=2>>

Ibid

Ibid

Ibid

Kelly Field. "Bush Budget Will Propose a Recall of Federal Funds From Perkins Loan Program" 2/4/2005, <

<http://chronicle.com/free/2005/02/2005020407n.htm>>.

"Bush's budget may negatively affect financial aid" 2/11/05

<<http://www.dailytexanonline.com/news/2005/02/11/TopStories/Bushs.Budget.May.Negatively.Affect.Financial.Aid-861305.shtml?page=2>>

"Tuition Inflation" < <http://www.finaid.org/savings/tuition-inflation.phtml>>

Pesznecker, Sue. "Pell Grants to be eliminated for many low-income students" 2/18/2005

<<http://www.dailyvanguard.com/vnews/display.v/ART/2005/02/18/4215a321a5e1e>>

"2005 Federal Budget Shortchanges Student Aid Programs"

< <http://www.acenet.edu/hena/readArticle.cfm?articleID=1163>> December 10, 2004

Ibid

Pesznecker, Sue. "Pell Grants to be eliminated for many low-income students" 2/18/2005

<<http://www.dailyvanguard.com/vnews/display.v/ART/2005/02/18/4215a321a5e1e>>

"Budget Cuts A Hard Sell On Hill" <<http://www.cbsnews.com/stories/2005/02/22/politics/main675563.shtml>> 2/22/05

"Bush's budget may negatively affect financial aid" 2/11/05

<<http://www.dailytexanonline.com/news/2005/02/11/TopStories/Bushs.Budget.May.Negatively.Affect.Financial.Aid-861305.shtml?page=2>>

"Budget Cuts A Hard Sell On Hill" <<http://www.cbsnews.com/stories/2005/02/22/politics/main675563.shtml>> 2/22/05

#### Comments

This resolution is in response to recent actions taken by the federal government to cut funding for higher education assistance programs.

**Authors**

Osama Ishaque, Favad Bajaria, Amber Billingsley

**Sponsors**

Omar Ochoa

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