

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HIGHER EDUCATION

----- X

October 16, 2017
Start: 2:56 p.m.
Recess: 3:09 p.m.

HELD AT: 250 Broadway - Committee Rm,
14th Fl.

B E F O R E:

INEZ D. BARRON
Chairperson

COUNCIL MEMBERS:

James Vacca
Fernando Cabrera
Jumaane D. Williams
Laurie A. Cumbo
Ydanis A. Rodriguez
Vanessa L. Gibson

A P P E A R A N C E S (CONTINUED)

[sound check]

[pause]

[background comments]

CHAIRPERSON BARRON: Ready? [gavel]

Good afternoon everyone. My name is Inez Barron, the chair of the Committee on Higher Education, and today we will vote on Resolution No. 1559, which calls on the New York State Legislature to pass Assembly Bill 6811/Senate Bill 5120, an act to establish a private student loan task force.

According to the Federal Reserve system, national outstanding student debt amounts to more than \$1.4 trillion. In New York, as per the State Comptroller, student loan debt more than doubled from 2006-2015 to \$82 billion and the number of student loan borrowers rose by more than 41% to 2.8 million.

In New York City, the Federal Reserve Bank of New York reported that 16.2% of consumers had a student loan with an average balance of \$35,300 and 14% of those borrowers were at least 90 days late on their payment. The high student debt that many New Yorkers have to shoulder also affects the economy. It should not come as a surprise that huge student debt burdens force many to take two or three jobs,

1 often at low-wage positions to keep up with their
2 payment, delay having a family or even buying a
3 house, which has always been the fractured vision of
4 the so-called American dream.
5

6 For many people, student loans create
7 lasting financial difficulty that cannot be
8 discharged by bankruptcy. The decision to go to
9 college should never hinge on whether one can afford
10 the payment. Failing to go to college in today's
11 global economy is severely limiting one's social,
12 economic and political potential. As many of you
13 know, I have continued to stress the importance of a
14 college degree in today's global economy. While I
15 have not been alone in my vocal support for
16 increasing access to higher education, too many of
17 our policymakers have failed to do their best to ease
18 student debt and make tuition affordable.

19 Back in 2015, in an attempt to mitigate
20 the burden of growing student debt, former President
21 Barack Obama issued a directive that capped
22 borrowers' federal loan repayment to 10% of their
23 income and would have forgiven debt after 20 years of
24 payment. Effectively, it was an expansion of a
25 program offered to borrowers with especially low

1 income and it was expected to benefit nearly six
2 million more Americans. Unfortunately, with more
3 concern for the banks and lenders, the Trump
4 Administration reversed President Barack Obama's
5 directive last March. However, Assembly Bill 6811,
6 sponsored by State Assembly Member Marcos Crespo and
7 the companion bill in the Senate, Senate Bill 5120,
8 sponsored by State Senator Jesse Hamilton, hope to
9 address the debt burden for New Yorkers with private
10 student loans. The bill seeks to establish a private
11 student loan refinance task force which would bring
12 together the State Comptroller, the Higher Education
13 Services Corporation and lending institutions in New
14 York that offer private student loans to study and
15 report on ways these lending institutions can be
16 incentivized to established student loan refinancing
17 programs. Though this is a small step toward
18 addressing an ever-growing problem, we must support
19 the State's efforts to address the student debt and
20 offer New Yorkers some relief.

21
22 This brings us to today's vote on
23 Resolution No. 1559 which calls upon the New York
24 State legislators to pass and the Governor to sign
25 A.6811/S.5120, an act to establish a private student

1
2 loan refinance task force. I urge my colleagues to
3 vote in favor of passing this resolution.

4 I would like to acknowledge my colleagues
5 who are present -- we have Council Member Cabrera,
6 Council Member Rodriguez and Council Member Williams.
7 Additionally, I would like to thank my staff -- Ndigo
8 Washington, Director of Legislation; Joy Simmons, my
9 Chief of Staff; Omowalek [sp?] Fay [sp?], CUNY
10 Liaison; Kiiru Gichuru, Committee Counsel; Chloe
11 Rivera, Committee Policy Analyst; and Jessica
12 Ackerman, Senior Finance Analyst.

13 Now the clerk will call the roll.

14 COMMITTEE CLERK: William Martin,
15 Committee Clerk, roll call vote Committee on Higher
16 Education, Resolution 1559. Chair Barron.

17 CHAIRPERSON BARRON: I vote aye.

18 COMMITTEE CLERK: Rodriguez.

19 COUNCIL MEMBER RODRIGUEZ: Aye.

20 COMMITTEE CLERK: Cabrera.

21 COUNCIL MEMBER CABRERA: Aye.

22 COMMITTEE CLERK: Williams.

23 COUNCIL MEMBER WILLIAMS: Very important
24 resolution; I hope it passes in the state and I vote
25 aye.

COMMITTEE CLERK: By a vote of 4 in the affirmative, 0 in the negative and no abstentions, the item has been adopted by the Committee.

CHAIRPERSON BARRON: At this point we're going to hold the role open for about ten minutes so that other members will have an opportunity to vote. Thank you. [background comment]

[pause]

[background comments]

COMMITTEE CLERK: Final vote Committee on Higher Education, Resolution 1559 has been adopted by a vote of 4 in the affirmative, 0 in the negative and no abstentions. Thank you.

CHAIRPERSON BARRON: Thank you, that concludes this hearing; this hearing is adjourned.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date October 24, 2017