

SENATOR WARNER: Mr. President and members of the Legislature, LB 829 (sic), as indicated by the Clerk, was introduced at the request of the Governor and it deals with an issue that is a result of legislation enacted by Congress, I believe, a couple of years ago. Congress, being concerned about the number of student default on student loans to specifically the Federal Family Education Loan Program and the Federal Direct Student Loan Program, being concerned about the deficit...or default level, rather, enacted legislation which in effect would have made the individual states responsible under the methodology that the Congress has enacted, this phased-in thing. But the state would be responsible for the dollar amount from a General Fund appropriation for these various defaults. These certain loans could go to proprietary schools, private schools, or public postsecondary education institutions. The bill as introduced rather than have the state pay for that, the set-up process for the Coordinating Commission would, through establishment of the rules and regulations access, in effect, each of the schools their proportionate share of this default if it was triggered. And under the federal legislation, if any single institution had a default rate of in excess of 20 percent, that that triggered the whole mechanism for the reimbursement of the federal government. The bill then rather than have the state pay this out of...out of General Fund money, assessed back to the various institutions proportionate to what their share of the total that the federal government was requesting to have reimbursed. And I should indicate that I believe it's accurate that the rules and regulations have not...I believe have not yet been established. There's talk sometimes that the federal...that Congress may change this in some fashion, but to my knowledge those changes have not occurred yet and I'm not aware that they will be. But in the...but the purpose of the bill is that this process would be in place should the federal government through...and Congress, elect to proceed with the process they have enacted. Mr. Clerk, I have an amendment I suppose I should take up first and then I have an amendment to that amendment. If I could, I'll take up 2919 first.

SENATOR COORDSEN: Mr. Clerk, an amendment on the desk.

CLERK: Senator Warner would move to amend with AM2919, it's found on page 666.