

Date of Hearing: May 6, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION  
Das Williams, Chair  
HR 26 (Williams and Pérez) – As Introduced: September 3, 2013

SUBJECT: Student loan forgiveness.

SUMMARY: Expresses that the Assembly intends to support the Public Service Loan Forgiveness (PSLF) Program and will seek opportunities to promote policies that provide more loan repayment options to graduates burdened by debt.

EXISTING LAW: Existing law establishes the Cal Grant and Middle Class Scholarship programs to provide financial aid to students attending California colleges and universities, to the extent that students and institutions are eligible.

FISCAL EFFECT: This resolution is non-fiscal.

COMMENTS: According to the authors, this resolution celebrates the importance of public service and its value to our society, and expresses the Assembly's dedication to ensuring that the desire to contribute to public service is not forgone because of financial limitations brought about by student loan debt.

The United States Department of Education created the PSLF Program in 2007 to offer full student loan forgiveness upon fulfillment of a 10-year Repayment Plan or completion of 120 regular payments through the Direct Loan Program. The Direct Loan Program offers both Income-Based Repayment and Income-Contingent Repayment options. The authors note the federal loan program incentivizes college attendance and increases college affordability.

This resolution:

- 1) Encourages public employers to take full advantage of the PSLF Program;
- 2) Expresses Assembly intent to support the PSLF by offering information to new employees; and,
- 3) Expresses Assembly intent to "seek opportunities to promote policies that will provide more loan repayment options to graduates burdened by student loan debt, so that they can gain meaningful employment that enhances their individual financial stability as well as benefits the state as a whole."

Related legislation. AB 2377 (Pérez) was approved by this committee on April 29, 2014, and would establish the California Student Loan Refinancing Program to provide loan refinancing options to students who meet specified requirements.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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