

Date of Hearing: April 19, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2093 (Mathis) – As Amended March 30, 2022

SUBJECT: First responders: loan forgiveness program

SUMMARY: Authorizes the California Student Aid Commission (CSAC) to establish a loan forgiveness program of up to \$50,000 for first responders who serve five years in a disadvantaged community, as defined. Specifically, **this bill:**

- 1) Authorizes the CSAC to establish an educational loan repayment program for first responders serving in disadvantaged communities, once funds are appropriated by the Legislature.
- 2) Enables CSAC to develop guidelines and materials for the loan forgiveness program and to post the guidelines and materials on CSAC's website.
- 3) Authorizes CSAC to award qualifying applicants up to \$50,000 in educational loan forgiveness if the applicant has been an active full-time first responder within the state for five years in a disadvantaged community and can submit proof of employment to CSAC. Additionally, the applicant must provide their employers contact information in order for CSAC to ascertain if the applicant is in good standing with their employer.
- 4) Creates the "disadvantaged communities account for first responders" fund (DCAFR) and authorizes CSAC to accept and deposit donations into the DCAFR for the loan forgiveness program for first responders.
- 5) Permits CSAC to monitor the program for fraud and to determine if any applicant applying for the program is using fraudulent materials. If an applicant is found to be providing fraudulent materials CSAC may deny the applicant and pursue legal recourse. Permits CSAC, if they have authorized funds for loan forgiveness for an applicant who provided fraudulent materials, to seek legal action to recover the funds and redeposit the DCAFR.
- 6) Requires CSAC to annually report by January 1 of each year the number of awardees who qualified for funding, the amount in the DCAFR, the estimated cost of sustaining the loan forgiveness program, and whether CSAC has any recommendations to improve the loan forgiveness program as long as the recommendations are germane to the intent of the loan forgiveness program. The report will be submitted to the Legislature in accordance with section 9795 of the Government Code.
- 7) Permits CSAC to use five percent of any funds allocated for the loan forgiveness program for administrative costs associated with implementing and monitoring the program.
- 8) Defines "disadvantaged communities to be the same communities identified by Section 79505.5 of the Water Code.
- 9) Defines "first responder" as a state or local peace officer, paramedic, emergency medical technician, rescue service personnel, emergency manager, or firefighter.

EXISTING LAW:

- 1) Defines disadvantaged community as a community with an annual median household income that is less than 80 percent of the statewide annual median income for purposes of the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79505.5).
- 2) Establishes CSAC as the state agency charged with administering state financial aid programs to qualifying students enrolled in institutions of higher education throughout the State (Education Code (EDC) Section 69510 et. seq.).
- 3) Creates the Cal Grant C program for the purpose of providing financial resources to qualifying students, as defined, who seek to enroll in occupational and technical training programs which are aligned with the state's dynamic economic needs as determined by CSAC in consultation with various state and federal agencies associated with workforce development. Cal Grant C will be authorized for training that is not less than four month and the amount of the grant and number of recipients shall be determined in the annual Budget Act (EDC Section 69439).

FISCAL EFFECT: Unknown

COMMENTS: *Need for the measure.* According to the author, “AB 2093 creates the Disadvantaged Communities Account for First Responders, and provides educational loan repayment assistance for first responders who agree to practice in a disadvantaged community in California for at least 5 years. This measure acknowledges and rewards the bravery and dedication of the state's first responders for the dangerous and lifesaving services they provide on a daily basis. By removing a key financial burden, AB 2093 encourages individuals to pursue a career as a first responder, as well as improves existing staff retention levels by allowing first responders to focus on providing care, instead of worrying about how to pay their student loans. This is a common-sense solution that incentivizes and enables first responders to help the most vulnerable and underserved communities throughout California.”

Staffing shortages for first responders. While the California Employment Development Department and U.S. Bureau of Labor Statistics project an increase in workforce need over the next ten years for first responders, neither agency contained data on existing workforce shortages. An examination of local and national newspapers confirms that a myriad of factors, from climate change causing elongated fire seasons to growing social distrust, have all contributed to the mass exodus of first responders. In February 2021, the Public Policy Institute of California issued a fact sheet on law enforcement staffing prior to the onset of the COVID -19 pandemic. The fact sheet found that during the Great Recession, California lost 4,000 sworn officers and the staffing levels never rebounded with only 2,000 sworn staff being added to the workforce between 2011 and 2019. In 2021, the American Ambulance Association sent a letter to the U.S. Congress beseeching Congress to hold hearings into the vast workforce shortage crisis experienced by emergency medical services throughout the nation. The letter found overall turnover among paramedics and EMTs ranges from 20-30% annually, with some ambulance services experiencing 100% turnover in a four year period. To combat the Cal Fire firefighter shortage, Senator McGuire has introduced SB 1062 of 2022 with the aim of adding 1,121 firefighters to the Cal Fire workforce. AB 1062 (McGuire) of 2022 currently awaits a hearing in the Senate Appropriations Committee. One method of recruiting individuals into a specific occupation is to offer a financial incentive beyond wages. AB 2093 (Mathis) seeks to provide

this financial incentive by providing a loan forgiveness program to first responders who work for five years in a disadvantaged community.

Becoming a first responder. Due to the broad definition of first responder, there are copious pathways by which an individual could fulfill the educational and licensing requirements to acquire an occupation defined as a first responder. The chart below identifies the basic educational requirements for three “first responder” occupations based on data collected by the Employment Development Department and the U.S. Bureau of Labor Statistics for California.

<u>Position</u>	<u>Age/Educational Requirement</u>	<u>Median Annual Income</u>
Fire Fighter	<ul style="list-style-type: none"> • Emergency Medical Technician Certification • Be 18 to 21 years of age depending on local requirements • High School Diploma • Complete a regional fire academy training program 	\$82,674
Peace Officer	<ul style="list-style-type: none"> • Post-Certificate, complete a POST-certified training program • Be at least 21 years of age • High School Diploma [for now.] • California Highway Patrol prefers an associate degree • Potentially additional Academy training depending on the type of officer. 	\$115,263
Paramedic and Emergency Medical Technician	<ul style="list-style-type: none"> • High School Diploma • Complete either an EMT-1, EMT – 2 or EMT Paramedic training program • Licensure from the California Emergency Medical Service Authority 	\$58,190 (US Bureau of Labor Statistics for CA)

The majority of educational requirements required of a first responder can be completed at a California Community Colleges through their vocational and occupational training programs. These programs award an array of certifications and associate degrees in a variety of subjects which would satisfy the educational requirements of all occupations listed as first responders in

AB 2093 (Villapudua). For example, Ventura College offers an associate degree of science in paramedic studies, Shasta College offers various degrees in firefighting through their fire academy, and Imperial Valley College has a post-certification program offered on campus to perspective police candidates.

Existing financial aid and loan forgiveness programs. Technically if a first responder is the employee of a local government agency or a federal government agency then the first responder could qualify for the Public Service Loan Forgiveness Program (PSLFP). This program forgives 100% of a borrower's federal student loans if the borrower has made 120 qualifying monthly payments or 10 years' worth of payments and has been employed working full-time with a qualifying employer (a U.S. federal, state, local, or tribal government or not-for-profit organization). AB 2093 (Mathis) requires half the service time as the PSLFP only requiring five years and does not require the borrower to have made any payments on their loan.

In addition to potentially qualifying for the PSLFP, the majority of first responders would qualify for a state-financial aid program called the Cal Grant C. The Cal Grant C is a state-funded financial aid program, which offers financial assistance to students pursuing an occupational or technical program. There is no grade point average requirement or age requirement for Cal Grant C and a student can qualify by completing either the Free Application for Federal Student Aid (FASFA) or a CA Dream Act Application. Qualifying low and middle income students receive up to \$2,462 for tuition fees and \$547 in books, tools, or equipment if the student attends an eligible private for profit or private nonprofit institution or students can receive up to \$1,094 at any CCC. Cal Grant C can be used for any approved occupational training program and programs providing training for future police officers, firefighters, paramedics, and emergency medical technicians are all approved.

Arguments in support. As explained by the California State Sheriff's Association, the need for AB 2093 (Mathis) is "law enforcement agencies benefit from having a diverse array of officers who have different experiences and perspectives. Ensuring that someone with student loan debt is not discouraged from becoming a peace officer because of that debt will help with finding qualified and diverse candidates. AB 2093 provides up to \$50,000 in loan forgiveness for first responders who agree to work in a disadvantaged community in California for at least five years."

Committee comments. AB 2093 (Mathis) seeks to resolve the first responder workforce shortage by providing a financial incentive to encourage younger generations of Californians to become first responders and serve in underrepresented communities. Based on the California Department of Water Resources' disadvantaged communities mapping tool, nearly every county in the state has a region or community designated as a disadvantaged community as defined by AB 2093 (Mathis). These communities include rural and urban locations alike and this definition as used by AB 2093 (Mathis) seems to be the primary definition when defining disadvantaged communities in terms of resources such as water and energy.

The current educational requirements for the occupations associated with first responders are primarily certificate or associate degree based and can be fulfilled at the California Community Colleges; therefore there is a question as to whether a loan forgiveness program of such a large quantity, \$50,000 is necessary. While entry level requirements for the majority of occupations associated with first responders require associate degrees or certificates, additional education is required to climb the career ladder. Providing a loan forgiveness program could potentially

encourage longevity in an occupation, instead of turnover; however, additional education could enable these first responders to seek employment in other careers as well.

Additionally, while the entry level educational requirements often exclude the need for a bachelor's degree for first responders, degree creep could occur if data demonstrates additional educational will yield superior results. Degree creep is when the prevailing wisdom suggests that additional educational requirements are required for a potential applicants for an occupation to be considered prepared to accomplish the tasks assigned with the application. Over time degree creep has occurred in every industry, with the most recent occurring for police officers. AB 89 (Jones-Sawyer), Chapter 405, Statutes of 2021, requires by January 1, 2023, for the California Community Colleges to develop a modern policing degree program and would require the Commission on Police Officer Standards and Training to after two years or January 1, 2025 to approve and adopt the educational criteria for peace officers. AB 89 (Jones-Sawyer) would establish a basic minimum educational requirement of a new modern policing degree and a bachelor's degree for police officers effective January 1, 2025. AB 2093 (Mathis) provides an avenue by which police officers who in several years will be required to have a bachelor's degree, could obtain one and then receive loan forgiveness.

Given the various avenues by which first responders are able to receive loan forgiveness and Cal Grant funding for occupational training requirement, AB 2093 (Mathis) does establish a duplicative avenue by which a first responder can receive financial assistance to pay for their educational requirements; however, this avenue does assist those who wish to pursue a bachelor's degree and who do not wish to make payments on their loans. Furthermore, AB 2093 (Mathis) establishes a service requirement which would bring additional first responders to underrepresented communities who have difficulty recruiting first responders; thereby, increasing the applicant pool for underrepresented communities and encouraging migration to underrepresented communities which can have a positive impact on the economy of those regions. *Considering the duplicative nature of AB 2093 (Mathis), finite state resources for financial aid and the ongoing legislative effort to reform the state financial aid program to be more inclusive and provide assistance for the total cost of funding, the author may wish to reevaluate moving forward whether AB 2093 (Mathis) is the best use of state resources.*

The amendments to be processed by the Committee that the Author has accepted refine the definition of first responder to those listed in Government Code Section 8562. This would include peace officers, firefighters, paramedics, emergency medical technicians, and public safety dispatchers or public safety telecommunicator.

To change the definition and address a drafting error, the Author has suggested and the Committee has accepted the following amendments:

Subdivision (g) (2) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

Subdivision (i) (2) "~~First responder~~" ~~means a state or local peace officer, paramedic, emergency medical technician, rescue service personnel, emergency manager, or firefighter~~ has the same definition as in Section 8562 of the Government Code.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Sheriffs' Association
Peace Officers Research Association of California (PORAC)
Riverside County Sheriff's Office

Opposition

None on file.

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