

Date of Hearing: March 19, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 463 (Cervantes) – As Amended March 12, 2019

**SUBJECT:** Community colleges: faculty members: loan forgiveness

**SUMMARY:** Enacts procedures to enhance awareness and use of the federal Public Service Loan Forgiveness (PSLF) program among community college faculty. Specifically, **this bill:**

- 1) Requires the Chancellor's Office of the California Community Colleges (CCC) to develop, at a minimum, the following materials designed to increase awareness among CCC faculty of the loan forgiveness program:
  - a) A one-page form letter, as specified, to be distributed to and used by community college districts for notifying faculty members who may be eligible for the loan forgiveness program.
  - b) A fact sheet describing the loan forgiveness program.
  - c) A document containing answers to frequently asked questions about the program.
- 2) Requires community college districts (CCDs) to:
  - a) Provide the above materials, in written or electronic form, to all faculty employees annually and to new faculty employees within their first 30 days of employment.
  - b) Provide a faculty employee enrolled in the loan forgiveness program with an annual renewal notice and a copy of the program certification form, with the employer portion of the form already completed.
- 3) Stipulates that, for purposes of qualifying for the PSLF program, a district, in completing its portion of the certification form, shall credit a faculty employee with at least 3.35 hours worked for each hour of classroom time, but that this minimum adjustment shall not supersede any collective bargaining agreement or employer policy that credits more time per hour of classroom time in recognition of the amount of out-of-class work associated with instruction.
- 4) Stipulates that time spent in office hours or in non-instructional assignments are to be counted without the above adjustment factor.

**EXISTING LAW:**

- 1) Defines "faculty" as those employees of a CCD who are employed in academic positions that are not designated as supervisory or management, as specified. Faculty include, but are not limited to, instructors, librarians, counselors, community college health services professionals, handicapped student programs and services professionals, and extended opportunity programs and services professionals (Education Code (EC) Section 87003.)

- 2) Defines any person who is employed to teach for not more than 67 percent of the hours per week considered a full-time assignment to be a temporary (part-time) employee. (EC Sect. 87482.5.)
- 3) Under the federal PSLF program, the balance of a person's direct federal student loan (principal and accrued interest) may be forgiven for full-time employment with federal, state or local government entities or certain (generally tax-exempt) nonprofit organizations while that person has made 120 separate monthly loan repayments. The program applies only to monthly repayments made after October 1, 2007. (34 U.S. Code Section 685.219.)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

*Purpose.* The author notes the high student debt burdens facing many college graduates, which is a particular challenge for educators, given their relatively low salaries. A 2018 survey conducted by the American Federation of Teachers of its members found 8 in 10 respondents saying that their student debt is a major challenge and that they or someone in their household had fallen behind on debt payments.

In addition, the author notes that, part-time community college faculty in California do not qualify for the PLSF program based upon their weekly maximum workload (67% of a full-time teaching assignment) and the fact that, in most instances, they are not given credit for office hours and non-instructional time. (Based upon the requirements of the federal program, a public service employee must work full-time, defined as an average of 30 hours per week over at least 8 months.)

AB 463 is intended to increase awareness of the PSLF program among community college faculty and in particular, to assist part-time faculty in meeting the program's requirements. The bill proposes the following four steps:

- 1) Require the Chancellor's Office to develop and distribute materials designed to increase awareness of the PLSF to all community colleges in the state;
- 2) Require each district to annually provide this information to their faculty in written or electronic form;
- 3) Require districts to annually provide faculty members enrolled in the PSLF with notices of renewal and copies of the Employment Certification Form, with the employer's portion of the form already completed. (It is recommended that persons working toward meeting the PSLF's requirement to make 120 loan payments submit the certification form annually or when changing employers.)
- 4) Require districts, in completing the employer portion of the Employment Certification Form, to credit faculty employees with at least 3.35 hours worked for each hour of lecture or classroom time. (Applying this factor, in recognition of the out-of-classroom work associated with teaching, should make more part-time faculty, in particular, eligible under the PLSF 30-hour per week minimum work requirement.) In addition, time spent performing office hours shall be counted hour-for-hour with no adjustment factor.

*Related Legislation.* AB 897 (Medina), pending in this committee, increases, from 67 percent to 85 percent, the portion of a full-time faculty teaching load that a part-time faculty member may teach.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Federation of Teachers

**Opposition**

None on file.

**Analysis Prepared by:** Chuck Nicol / HIGHER ED. / (916) 319-3960