

MOTION BY SUPERVISOR HILDA L. SOLIS

January 11, 2022

Awareness Campaign for Federal and State Student Loan Forgiveness Programs

There are several Federal and State loan programs available to reduce student loan debt, including the Public Services Loan Forgiveness Program (PSLF) and the California State Loan Repayment Program (SLRP). These programs provide invaluable opportunities for borrowers to reduce or eliminate their student debt.

As employees of a government entity, Los Angeles County employees are eligible for the federal PSLF program if they have worked for the County for the required number of years and have qualifying loans. Additionally, residents who work for non-profit agencies are also eligible for these programs. However, despite being eligible, many are not aware of the programs.

COVID-19 has had a tremendous impact on the lives of constituents and County employees, including financial burdens. The Education Data Initiative (educationdata.org) reports that, according to the National Center for Education Statistics (NCES), there are 3.2 million new student loan borrowers, and that along with a spike in unemployment, we are witnessing the largest increase in the total student

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loan debt since 2013. This is certainly true in California, where we owe the largest cumulative student loan debt.

- 3.86 million Californians, or 9.8% of the State's population, have some form of student debt.
- The total amount of student loan debt in California is \$142.7 billion.
- 53.4% of student loan borrowers are under the age of 35.

In addition, a growing body of research points to startling inequality in the debt burdens carried by minorities, an inequality that in many cases was further exacerbated by the pandemic.

The United States Department of Education (USDE) has recently set forward a number of actions that will restore the promise of PSLF including revising eligibility rules and removing some requirements to reduce barriers. Now, making County employees and eligible community members aware of PSLF is even more critical as the USDE has implemented a limited PSLF waiver to count all prior payments made by eligible student borrowers toward PSLF, regardless of loan program. The waiver will end October 1, 2022.

I, THEREFORE, MOVE that the Board of Supervisors direct the Department of Human Resources in collaboration with the Department of Consumer and Business Affairs and its Center for Financial Empowerment to create an awareness campaign to educate employees and constituents on loan forgiveness programs and return with recommendations in 60 days on how to implement the campaign.

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