ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY RESOLUTION No. 149

STATE OF NEW JERSEY

DATED: JULY 9, 2020

The Assembly Higher Education Committee reports favorably Assembly Resolution No.149.

This resolution urges the President and Congress of the United States to continue the federal Public Service Loan Forgiveness (PSLF) Program and opposes the proposal contained in President Donald Trump's Fiscal Year 2021 Budget, as introduced, to eliminate the program. If ultimately enacted by Congress, the move to eliminate the PSLF program would take away a valuable benefit for public service employees.

The PSLF program, codified in federal statute at 20 U.S.C. s.1087e, was established in 2007 and was intended to encourage individuals to enter and continue careers in public service by offering the promise of student loan debt forgiveness for eligible public servants. To be eligible for loan forgiveness under the PSLF program, an individual is required to: be working full-time for a federal, state, local, or tribal government or not-for-profit organization; not be in default on his or her loans; be a borrower of a loan received under the William D. Ford Federal Direct Loan Program; be repaying his or her loans through an income-driven repayment plan; and make 120 on-time monthly loan payments for the full amount due on his or her bill after October 1, 2007. The most recent PSLF program data released by the Office of Federal Student Aid indicate that, as of December 31, 2019, a total of 1,565 unique borrowers have received a discharge under the PSLF program, with approximately $100 million being forgiven.

The PSLF program plays a pivotal role in allowing and incentivizing individuals across the country to seek careers in critical public sector jobs, including teachers, military service members, public sector attorneys, and providers of social services and medical services. Eliminating the PSLF program entirely would not only deter many individuals from pursuing a desired career path in public service, but would also eradicate an important recruitment tool for public sector employers.