



## **Representative Bride Rose Sweeney**

### **House Bill 521 – House Committee on Higher Education**

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Chairwoman Keller, Vice Chairman Riedel, Ranking Member Ingram, and Members of the House Higher Education Committee, thank you for the opportunity to testify today on House Bill 521, which would require the Chancellor of Higher Education to provide information regarding federal student loan forgiveness programs, including the Public Service Loan Forgiveness Program and the Teacher Loan Forgiveness Program.

There are several federal student loan forgiveness programs for public employees, each with different qualifications and strict requirements. For example, the Public Service Loan Forgiveness Program requires 120 qualifying monthly loan payments while working full time before any remaining balance can be forgiven. This program is intended to incentivize careers in public service by offering loan forgiveness after 10 years of payments during government or nonprofit employment. However, only 1 percent of applicants actually have their loans discharged because of complex requirements and lack of information. To be approved, public servants have to follow requirements to a T: they have to have the right type of loan or consolidate (and consolidating wipes out your progress if you paid prior); they have to work full time for a qualifying employer; they have to make income-driven repayments (if you make more, you pay more); they have to properly apply, and they have to pay on time - within 15 days - monthly for ten years or 120 times. Since January 1, 2019, about 179 thousand people applied nationally while only about 3 thousand applications were approved.

Eligibility is contingent on having a qualifying employer, not the 40 hours of work itself. Instead of relying solely on loan servicers who don't always inform borrowers, it makes sense for public service organizations, the employers, to spread information about these programs so that requirements are clear from the start of employment. Improper payments are not retroactive, and people should not have to wait for the realization that they aren't eligible after a decade of payments. One of my constituents wrote me a letter about having that unfortunate experience.

To chip away at this problem, House Bill 521 specifies that four simple materials be created and published online: a letter notifying public employees of eligibility requirements, a fact sheet outlining loan forgiveness programs, a document with frequently asked questions, as well as any relevant document published by a federal agency and determined by the Chancellor. That last point will allow efficient and timely updates about any changes in federal policy that could possibly impact someone's ability to qualify. Under this legislation, public service organizations must publicly post the informational letter and provide materials developed by the Chancellor within two weeks of an employee's start date. We have these programs for a reason, and we can help our society function better by putting them to use.

Public servants often make less, and it's hard to get qualified people to choose this path over the private sector. Federal public service loan forgiveness programs should be more easily accessible for the many Ohioans who serve their communities in all kinds of capacities. This could help everyone from underpaid nurses and teachers who struggle with student loan debt, to caseworkers, clerks, librarians, and even legislative staff who put their service first and their finances last. House Bill 521 would make a concentrated effort to overcome information barriers associated with loan forgiveness and utilize already existing programs that are funded with federal dollars. If we do not take action, this federally funded relief will simply go to citizens of other states that take better advantage of it than Ohio does. According to the U.S. Department of Education, almost 2 million Ohioans have student loans, and aggregate debt has more than doubled in the last ten years. More than half of all Ohio millennials, including those living in rural Ohio, struggle with student debt - to the tune of 35 thousand dollars per person on average. Ohio deserves qualified public sector workers, and this legislation would leverage federal programs to help Ohioans pay off and use their degree here. I appreciate the Committee's time and would be glad to answer any questions.