



House Higher Education Committee
Proponent Testimony for HB 521
Given by Darold Johnson, Legislative Director
Ohio Federation of Teachers
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Chair Keller, vice-Chair Riedel, and ranking member Ingram and members of the Higher Education Committee; I am Darold Johnson, Legislative Director for the Ohio Federation of Teachers (OFT). OFT represents teachers, paraprofessionals, bus drivers, and other support staff in our Ohio K-12 schools as well as faculty and support staff in our higher ed institutes and public employees at Franklin County Children's Services.

Why is HB 521 important? HB 521 is essential because Ohio's public employees are doing hero's work every day, now more than ever. Public service doesn't pay what private-sector opportunities afford. Public employees continue to run towards danger. Teachers are going above and beyond the call of duty to ensure that their students continue to learn and make sure their kids are fed. Why shouldn't public employees have a better understanding of the benefit of public loan forgiveness? There is no reason they shouldn't.

OFT knows another reason HB 521 is essential. It's important because we provide our members with student debt clinics. We have heard over and over that our members didn't know that they were eligible for loan forgiveness after 120 consecutive payments. I have spoken with legislative staff, family members and others who would qualify but did not know they qualified. Those eligible must have 120 consecutive payments with limited, specific loan service providers. As a result, it is critical that new and current employees receive this information as soon as possible.

Ohio ranks 8th when it comes to the nation's highest levels of student debt. A Dayton Daily News article from last year reported, "the average student who graduated from an Ohio college or university in 2019 had \$30,629 in debt. That's \$278 more than a 2018 graduate and a nearly 5.5 percent increase from the average debt of \$29,037 five years ago."

The Public Service Loan Forgiveness (PSLF) program, created in 2007, allows for federal student loan forgiveness for teachers, nurses, firefighters, and other critical public and non-profit

workers after ten years of on-time monthly payments. The first wave of eligible borrowers is ready to receive forgiveness. It's time for Ohio to promote the program.

The military and the public sector have used the Public Service Loan Forgiveness Program as a valuable recruiting tool. Having the opportunity to get your loan forgiven is a benefit that can offset the higher salary an individual would likely make in the private sector; allowing Ohio's public service jobs to be more competitive as well!

An AFT survey of students shows the harmful effects debt has on students. More than any other type of debt, student debt is a significant driver of financial stress, with 8 in 10 saying it is a considerable burden or challenge.

- The real-world consequences for members who struggle financially are significant: They struggle to save for retirement and delay or forgo other life events.
- The problems of dealing with student debt are compounded by the fact that many members say their wages are not keeping up with the cost of living.
- The burden of student debt is most deeply felt by young people, women and people of color, with 72 percent of African-American respondents indicating that student debt is a significant household burden, compared with 61 percent of white respondents.

Some AFT members are in significant financial distress:

- Ninety-seven percent say that debt has caused them to have increased stress levels, 80 percent say it has caused them to lose sleep, and 73 percent say it has caused strains in their families and households.
- Seventy-eight percent report that they or someone in their household has fallen behind in making debt payments in the past year.
- Sixty-four percent of financially struggling members also report having had to make cuts to food and other regular household expenses.
- Forty-two percent say they avoid medical treatment due to costs.

OFT supports HB 521 because it provides information to public employees. This information can help attract and keep quality professionals in public service, especially now that we have an uncertain economic outlook.

This concludes my testimony and I welcome any questions?