Representative Bride Rose Sweeney
House Bill 618 (Regards U.S. Public Service Loan Forgiveness Program)
House Finance Committee
November 15, 2022

Chairman Oelslager, Vice Chair Plummer, and Members of the Finance Committee, thank you for the opportunity to testify on House Bill 618. This legislation would help Ohio's nurses, teachers, police officers, firefighters, social workers, and other public servants take advantage of the federal Public Service Loan Forgiveness Program or PSLF. This bill is targeted, low-cost, and completely unrelated to plans for blanket student loan forgiveness at the federal level. You still have to pay your own way under PSLF.

The U.S. Public Service Loan Forgiveness Program was designed to incentivize workers to enter and stay in professions that are often lower-paid but essential to a free and civilized society. To earn forgiveness, you have to work a qualifying job for ten years while making 120 monthly payments on time. After that, the Federal Government will forgive the remainder of your debt.

Too many Ohioans choose to serve in a qualifying profession, work hard and make their payments for years, thinking they're on a path to forgiveness only to apply and be rejected due to bureaucratic requirements. I received a letter from one of my constituents about exactly this issue, which prompted me to sponsor the bill that is before you today.

My constituent has been a social services caseworker at a homeless shelter and mental health services center since graduating college in 2003. She consolidated $37,000 worth of student loans into an income-based repayment plan, one of the program's eligibility requirements. She paid her bills on time every month for over 16 years – several of those years were before the program even existed – with the sincere belief that, although she didn't make much, she was making a difference and was on the path to forgiveness. But when she contacted her loan servicer to show her qualifying work for a nonprofit, they told her after the fact that none of her work qualified because she needed to have a different kind of loan. She still owed thousands of dollars even after putting in her time and money from the very beginning.

By passing this bill, we can help more Ohioans understand what they need to do to earn forgiveness whether they work as a nurse, teacher, first responder, social worker, at a service garage or in another public service profession. H.B. 618 requires the Director of Administrative Services to publish a fact sheet outlining loan forgiveness programs, a letter notifying public employees about eligibility requirements, a document with frequently asked questions, and any relevant document from a federal agency as determined by the Director so that people can keep up with rule changes. The bill appropriates $200,000 to create a Navigator Pilot Program with a community college, a state university, and a public agency whose employees qualify for the U.S. Public Service Loan Forgiveness Program.

Ohio has the 6th highest student debt per capita of all 50 states, with over 57 billion dollars in student debt according to pre-pandemic statistics. Every dollar that Ohio leaves on the table for this program is another dollar for other states like Pennsylvania and Michigan. PSLF is a

powerful tool to encourage people to put in their time to pay off their student debt while working much-needed jobs.

President Biden's student debt plan is currently being litigated, and regardless of the outcome, it's a short-term fix for a long-term problem. This bill helps offer a long-term solution that captures future applicants who won't be affected by one-time forgiveness. Instead of relying only on loan servicers to inform borrowers, we should make program requirements clear from the start of employment and we can partner with public service organizations in order to do that. Ohioans should not have to wait to be told they aren't eligible after a decade of payments.

Thank you for the opportunity to testify. I'd be happy to answer any questions.