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# SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

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**Bill No:** AB 463 **Hearing Date:** June 12, 2019  
**Author:** Cervantes  
**Version:** March 12, 2019  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Olgalilia Ramirez,

**Subject:** Community colleges: faculty members: loan forgiveness

## SUMMARY

This bill requires that the Community College Chancellor's Office develop materials designed to increase awareness of the Public Service Loan Forgiveness (PSLF) program for community college faculty and requires a community college district to annually provide an enrolled faculty member with notice of renewal and a copy of the employment certification form required to be completed for purposes of the program, with the employer portion of the form already completed. It additionally, requires a community college district to make specified determinations relating to the work completed by faculty members for purposes of the program.

## BACKGROUND

Existing law:

- 1) Defines "faculty" as those employees of a community college district who are employed in academic positions that are not designated as supervisory or management, as specified. Faculty include, but are not limited to, instructors, librarians, counselors, community college health services professionals, handicapped student programs and service professionals, and extended opportunity programs and services professionals. (Education Code (EC) § 87003.)
- 2) Defines any person who is employed to teach for not more than 67 percent of the hours per week considered a full-time assignment to be a temporary (part-time) employee. (EC §. 87482.5.)
- 3) Under the federal PSLF program, the balance of a person's direct federal student loan (principal and accrued interest) may be forgiven for full-time employment with federal, state or local government entities or certain (generally tax-exempt) nonprofit organizations while that person has made 120 separate monthly loan repayments. The program applies only to monthly repayments made after October 1, 2007. (34 U.S. Code § 685.219.)

## ANALYSIS

This bill:

- 1) Requires that the Community College Chancellor's Office develop materials designed to increase awareness of the Public Service Loan Forgiveness Program, including all of the following:
  - a) A one-page form letter, for use by community college districts to notify faculty employees who may be eligible for the Public Service Loan Forgiveness program, that:
    - i) Briefly summarizes the program.
    - ii) Provides information on what an eligible faculty employee is required to do in order to participate.
    - iii) Recommends that the faculty employee contact the faculty employee's loan servicer or servicers for additional information.
  - b) A detailed fact sheet describing the Public Service Loan Forgiveness program.
  - c) A document containing answers to frequently asked questions about the Public Service Loan Forgiveness program.
- 2) Requires the Chancellor's Office to provide the materials described in the bill to each community college district for distribution to faculty employees.
- 3) Requires that a community college district do all of the following:
  - a) Annually provide to all faculty employees the materials described in the bill in written or electronic form.
  - b) In addition to the materials provide annually, provide a newly hired faculty employee with those same materials within 30 days of the faculty employee's first day of employment by mail, by electronic mail, or during an in-person new employee orientation.
  - c) Annually provide a faculty employee who is enrolled in the Public Service Loan Forgiveness program with notice of renewal and a copy of the employment certification form, with the employer portion of the form already completed.
  - d) Not unreasonably delay in completing the employer portion of the employment certification form.
  - c) For purposes of qualifying for the Public Service Loan Forgiveness program and in completing the employer portion of the employment certification form, credit a faculty employee with at least 3.35 hours worked for each hour of lecture or classroom time. This bill specifies that these provisions do not supersede any higher adjustment factor established by a collective bargaining agreement or employer policy in

recognition of the amount of out-of-class work that is associated with instruction, including, but not limited to performance office hours.

- e) In completing the employer portion of the employment certification form credit a faculty employee with non-instructional assignments hour for hour with no adjustment factor.
- 4) Defines the following terms for the purpose of the bill:
- a) “Faculty employees” to mean full-time and temporary community college faculty members.
  - b) “Employment certification form” means the form used by the United States Department of Education to certify an individual’s employment at a public service organization for the purposes of the Public Service Loan Forgiveness program.
  - c) “Public Loan Service Loan Forgiveness program” to mean the federal loan forgiveness program established by federal law.

## STAFF COMMENTS

- 1) ***Need for the bill:*** According to the author those, “especially hard hit by student debt are educators, given their low salaries and stagnant wages. Of this group, part-time community college faculty are the most impacted because of the need to have advanced degrees, leading to more student debt. In the California Community Colleges, there are an estimated 35,000 adjuncts, compared to 19,000 full-time instructors (2018). Despite a state law mandating that districts reach a goal that 75 percent of their faculty loads be taught by full-time faculty, the average is 62 percent.

American Federation of Teachers also reported that their membership is roughly 75 percent women. Out of the 1.5 trillion in student debt, women hold roughly two-thirds of it. Women repay their loans at a slower rate than their male counterparts, in part due to the gender pay gap. Repayment is slow for black and Latina women, as well as men in those groups.

In order to qualify for the Public Service Loan Forgiveness program, a public service employee must work “full-time,” defined as 30 hours over 8 months. However, states can define what constitutes “full-time.”

The federal regulations governing qualification for the federal Public Service Loan Forgiveness (PSLF) program require that eligible applicants work full-time – or at least 30 hours per week for eight months. These federal regulations allow states to define what it means to work full-time.

In California, current law prohibits a part-time community college faculty member from working more than 67 percent of a full-time faculty member in a single community college district, which translates into approximately 10 course hours.

In addition, the majority of community college part-time faculty does not get credit for office hours or non-instructional time, including lesson planning and grading. These two factors prohibit community college part-time faculty from qualifying for the Public Service Loan Forgiveness program.”

- 2) **California graduates average student loan debt.** According to The Institute for College Access and Success (TICAS) and its Project on Student Debt, 65 percent of seniors who graduated from public and nonprofit colleges in 2017 had student loan debt, with an average nationally of \$28,650 per borrower. TICAS reports that the share of graduates with debt rose steadily from 1996 to 2012. Between 2012 and 2016 the growth stopped. The report notes, that this overall trend for bachelor’s degree recipients masks significant variation in debt burden for different types of students. TICAS also reports that average debt in California is \$21,852 at public and private non-profit colleges and that about 50 percent of students graduate with debt, ranking California 46th and 40<sup>th</sup> nationally, respectively. California falls below the national average in student loan debt and classified as low-debt state.
  
- 3) **Public Service Loan Forgiveness program (PSLF)** PSLF Program forgives the remaining balance on Direct Loans after a student makes 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer. A qualifying employer can include Government organizations at any level (federal, state, local, or tribal), tax-exempt Section 501(c)(3) not-for-profit organizations and other types of not-for-profit organizations that provide certain types of qualifying public services. Serving in a full-time AmeriCorps or Peace Corps position also counts as qualifying employment for the PSLF Program. The US Department of Education additionally notes that some or part of a federal student loan can be forgiven for service in the U.S. armed forces, as a nurse or medical technician, law enforcement or corrections officer, Head Start worker, child or family services worker, or a professional provider of early intervention services.

This bill requires community college districts ensure its faculty membership are aware of this federal program and additionally seeks to ensure part-time faculty eligibility for the benefit by making determinations relating to the work completed for non-instructional assignments and classroom time. These determinations are applicable only for purposes of PSLF.

## SUPPORT

AFT Adjunct Faculty United  
 American Federation of Teachers Guild Local 1931  
 California Federation of Teachers (Sponsor)  
 College of the Canyons  
 Council of Classified Employees-CFT  
 Cuesta College Federation of Teachers  
 Peralta Federation of Teachers  
 San Francisco Community College Federation of Teachers

## OPPOSITION

None received

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