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THIRD READING

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Bill No: SR 96  
Author: Limón (D), et al.  
Amended: 8/1/22  
Vote: Majority

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**SUBJECT:** Student Loan Debt Awareness Month

**SOURCE:** NextGen California  
Student Debt Crisis Center  
Young Invincibles

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**DIGEST:** This resolution declares the month of August 2022 as Student Loan Debt Awareness Month in California, and urges all employers, especially public service employers and state agencies, to engage in outreach and notification to employees about the various student loan programs during this month.

*Senate Floor Amendments of 8/1/22 add coauthors and make a technical change.*

**ANALYSIS:** This resolution makes the following legislative findings:

- 1) More than 45,000,000 Americans collectively owe approximately \$1.7 trillion in student loan debt. Nearly 4,000,000 Californians carry roughly \$140,000,000,000 in student loan debt, with the average amount owed around \$38,530.
- 2) Black and Latino borrowers disproportionately take out more student loan debt than other populations to access higher education. Black and Latino borrowers frequently experience higher rates of delinquency and default.
- 3) Two-thirds of the total national student debt is held by women, who only account for 57 percent of total higher education enrollment, and Black women accrue more student loan debt in their undergraduate education than any other group.
- 4) In 2020, California passed AB 376 (Mark Stone, Chapter 154, Statutes of 2020), which added a chapter titled the Student Borrower Bill of Rights and

greatly expanded student borrower rights and consumer protections, including by establishing a Student Loan Ombudsman to assist borrowers.

- 5) The public health and economic crises caused by the COVID-19 pandemic resulted in federal action to provide relief to student borrowers. The federal Coronavirus Aid, Relief, and Economic Security Act enacted a pause on federal student loan principal and interest payments, which has been extended by executive action through at least August 31, 2022.
- 6) The federal Public Service Loan Forgiveness (PSLF) program was created to provide public service workers with federal student loan debt relief in exchange for a decade of public service in their communities. The PSLF program is designed to support individuals working in vitally important public service jobs in sectors such as nonprofits, health care, social services, law enforcement, government at all levels, and other public service professions.
- 7) Since its creation, the PSLF program has suffered from multiple problems, including a lack of outreach to eligible borrowers, processing errors, and failing to provide correct information about program guidelines. On October 6, 2021, the United States Department of Education overhauled the PSLF program for a limited time, providing previously ineligible borrowers with a limited PSLF waiver to receive credit toward loan forgiveness for their years of public service work. The limited PSLF waiver ends October 31, 2022, and borrowers must take action to apply by that date.
- 8) The Senate seeks to raise awareness of, as well as increase, the number of Californians accessing federal repayment and loan forgiveness programs.

This resolution declares the month of August 2022 as Student Loan Debt Awareness Month in California, and urges all employers, especially public service employers and state agencies, to engage in outreach and notification to employees about the various student loan programs during this month.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:** (Verified 8/2/22)

NextGen California (co-source)  
Student Debt Crisis Center (co-source)  
Young Invincibles (co-source)  
California Federation of Teachers  
Consumer Reports  
Improve Your Tomorrow, Inc.

Student Borrower Protection Center  
uAspire  
UnidosUS  
Western Center on Law & Poverty

**OPPOSITION:** (Verified 8/2/22)

None received

**ARGUMENTS IN SUPPORT:** Student Debt Crisis Center writes, “The proposed California Student Debt Awareness Month is another step in continuing California’s leadership when it comes to the issue of student debt. This resolution adds to previous efforts by mobilizing businesses, nonprofit organizations, state agencies, and all employers to engage in outreach to their employees about student loan programs during the month of August. We support the California Student Debt Awareness Month resolution because raising awareness will increase the number of Californians accessing federal repayment and loan forgiveness programs.”

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8/3/22 15:06:35

\*\*\*\* **END** \*\*\*\*