

Policy Proposal: Public Service Workers

Public Service Workers Who Do Not Qualify for PSLF Loan Forgiveness

Ask: We request that the Department of Education issue rules as previously promised¹, on Public Service Loan Forgiveness (PSLF) for public service and public interest professionals who are currently ineligible for the PSLF program, due to the tax status of their employer(s).

Rationale:

Many public interest workers do not qualify for PSLF despite years of dedicated public service. This includes many essential frontline workers (e.g. social workers, nurses, nursing assistants, phlebotomists, lab technicians, case managers, dental assistants, peer support specialists, substance use disorder counselors, government contractors, teachers, former military, adjunct faculty, professors, etc.) who work for non-qualifying employers, which include both for profit and nonprofit organizations and/or companies.

Examples:

- A social worker is employed by a non-profit nursing facility where he/she provides social work services to seniors. The social worker is eligible for PSLF and their employment is certified for the purposes of PSLF. The nursing facility is purchased by a for profit company and the social worker is no longer eligible for PSLF despite continuous employment and public service in the same setting. These changes and resulting ineligibility for the PSLF program can occur without the awareness of the public service employee.
- A traveling nurse is providing services at a nonprofit hospital, working alongside other medical professionals who qualify for PSLF, however he/she does not qualify for PSLF because they work for a for profit contractor.
- An adjunct professor works at several different universities, yet his/her service at private universities does not count for PSLF.
- Health and mental health providers in private practice who see Medicaid and Medicare patients are not eligible for PSLF.
- A public service worker who has already completed several years of certified public service, is now employed in an organization that is not an eligible employer for PSLF and they need to change jobs to be eligible for PSLF, despite their continued public service.
- Some nonprofit organizations are designated as PSLF eligible employers and others are not. For example, employees of the American Bar Association (ABA) are eligible for the PSLF program even though the association is a 501c6 and somehow the National Association of Social Workers (NASW) employees are not eligible for PSLF and NASW is also a 501c6.

Consider All Public Service Workers for Student Loan Debt Relief and Possible Hardship Under the Department of Education's Current Rulemaking:

Ask: We request that all Public Service Workers be considered for student loan debt relief through the Department of Education's current rulemaking process. Further, many public service workers, especially

¹ See: <https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/5pslfeeligibility.pdf>

those who are not eligible for PSLF, may be experiencing financial and other hardship, due to low pay and required education costs, despite committing their careers to working in the interest of the public.

Ask: Forgive/ cancel remaining student loans for borrowers who completed 10 years of public service and already qualify for PSLF forgiveness, but nonetheless have remaining or “hanging loans”.

Ask: Automate the process of qualifying for PSLF and eliminate applications, when the Department of Education knows who qualifies. Make the PSLF eligibility and forgiveness for public service workers automatic.