

# **Loan Forgiveness for Educators Act**

## **Senator Luján and Representatives Leger Fernández and Hayes**

### **One Pager**

Inequitable access to a well-prepared, diverse, stable, and supported educator workforce has been a feature of our country's education system, with students of color, students from low-income families, students with disabilities, and other underserved students having less access to this essential resource. One of the barriers to a diverse and well-prepared educator workforce is the high cost of college and student loan debt. [Research has found](#) that student loan debt influences students' career choices, with higher debt burdens associated with students avoiding public service jobs, particularly in the education field.

Student loan debt can also impact educator retention, with educators leaving high-need areas or the profession all together because of the added strain of debt on low salaries. Since 2004, outstanding student loan debt has increased by over \$1.2 trillion. Two-thirds of those who go into the education field take out [between \\$20,000 and \\$50,000](#) worth of student loan debt, with [many salaries insufficient](#) to cover the costs of full repayment. K-12 teachers can expect to [earn about 24% less](#) compared to those with college degrees in other fields. Early educators fair even worse with 67% of pre-K teachers earning less than \$15.00 an hour. Educators across the spectrum take on two or more jobs to pay for basic needs, much less afford their monthly student loan payments. Further, due to structural inequities postsecondary students of color have fewer resources to put towards paying for college and face higher student loan debt burdens than white students. These factors impact the diversity of the profession as it creates barriers for people of color to enter the teaching profession and hinders their ability to stay in it.

Fortunately, [research shows](#) that well-designed loan forgiveness programs that underwrite all or most of the cost of comprehensive educator preparation are effective in recruiting diverse and well-prepared educators, in both K-12 and early education settings. What's more, they are good at keeping educators in the profession for longer. Yet, our country's loan forgiveness program specifically designed for teachers – the Teacher Loan Forgiveness (TLF) Program – has not been significantly updated since 2004 to keep pace with rising debt levels and increasing educator shortages. The pandemic has exacerbated longstanding educator shortages. A recent report found that nationwide, [close to 200,000 teaching positions](#) were either held by individuals who were not fully qualified for their jobs or were left vacant. With enrollment in educator preparation programs [down by more than a third](#) since 2010 and with educators [reporting](#) that they will leave the profession sooner than they planned, shortages may become more dire.

TLF currently offers \$5,000 or \$17,500 worth of loan forgiveness in exchange for five consecutive years of K-12 teaching service in high-need schools or high-need schools and high-need subject areas. These rates have not increased since 1998 and 2004, respectively, despite widespread shortages in our schools. Further, despite needs throughout the education continuum the TLF program also excludes early education educators and program directors as well as K-12 school leaders, like principals. Further, TLF does not provide forgiveness for federal Parent or Grad PLUS Loans or federal loans made prior to October of 1998, leaving out whole swaths of educators who are in no less need of benefits. In addition, TLF does not allow educators to concurrently count their service toward both TLF and Public Service Loan Forgiveness benefits, potentially causing educators to stay in repayment for longer periods of time.

**The *Loan Forgiveness for Educators Act of 2023* will reform the TLF Program so that more children have access to a diverse and well-prepared educator workforce (including early childhood and K-12 educators and leaders) by:**

- Incentivizing educators to go into and continue serving in early education programs and high need public schools by having the federal government make educators' monthly student loan payments during service and provide complete forgiveness of student loan debts at the end of five years of service;
- Allowing more and diverse candidates to afford comprehensive educator preparation programs that are associated with high educator retention rates, a key strategy to decrease shortages and help increase educator diversity in early childhood and K-12 education;
- Expanding program eligibility to early childhood educators and program directors and K-12 school leaders serving in early education programs and high need public schools. To reflect this update, the bill would also change the name of the program to the Educator Loan Forgiveness (ELF) Program;
- Making federal Parent PLUS loans – whether held by an educator or their parent – along with Grad PLUS loans eligible for ELF benefits. This would be in addition to federal subsidized, unsubsidized, and consolidation loans in the Direct Loan program and legacy Federal Family Education Loan program;
- Allowing service in pursuit of ELF to concurrently count as service toward Public Service Loan Forgiveness, removing an unnecessary roadblock that can keep educators saddled with student loan debt for longer periods of time; and
- Ensuring that educators retain loan repayment and forgiveness benefits if the status of their school changes to no longer be high need or if they take on additional responsibilities while they are serving. In addition, educators will still be able to make progress toward loan forgiveness if they have to take off for Family Medical Leave Act (FMLA) needs, military service, or are impacted by a national emergency.

**Endorsing Organizations (52):** National Education Association (NEA), American Federation of Teachers (AFT), National Indian Education Association (NIEA), National Association for the Education of Young Children (NAEYC), ZERO TO THREE, First Five Years Fund (FFYF), Early Care and Education Consortium (ECEC), National Migrant & Seasonal Head Start Association (NMSHSA), AASA, The School Superintendents Association, National Association of Elementary School Principals (NAESP), National Association of Secondary School Principals (NASSP), National School Boards Association (NSBA), Association of Latino Administrators and Superintendents (ALAS), National Rural Education Association (NREA), Council for Exceptional Children (CEC), Teacher Salary Project (TSP), State Higher Education Executive Officers Association (SHEEO), Early Edge California, National Urban League, National Association for the Advancement of Colored People (NAACP), Public Advocacy for Kids, American Association of Colleges for Teacher Education (AACTE), Association of Educational Service Agencies (AESAs), New Mexico Association for the Education of Young Children (NMAEYC), The Center for Law and Social Policy (CLASP), American Council on the Teaching of Foreign Languages (ACTFL), Teacher Education Division of the Council for Exceptional Children (TED), Higher Education Consortium for Special Education (HECSE), Hispanic Association of Colleges and Universities (HACU), American Indian Higher Education Consortium (AIHEC), Southern Education Foundation, National Council of Teachers of English (NCTE), Teach Plus, All4Ed, American Federation of State, County and Municipal Employees (AFSCME), The Education Trust, Latinos for Education, National Board for Professional Teaching Standards (NBPTS), National Center for Learning Disabilities (NCLD), TEACH, National Women's Law Center (NWLC), UnidosUS, Public Advocates, Association for Career

and Technical Education (ACTE), Advance CTE, Council for Professional Recognition, Association of School Business Officials International (ASBO), Council for Opportunity in Education (COE), National Association for Family Child Care (NAFCC), National Parent Teacher Association (PTA), the National Association for Music Education (NAfME), and National Science Teacher Association.