

# Higher Education

## Request

- Support legislation that ensures Public Service Loan Forgiveness (PSLF) is accessible and achievable and support reforms that waive the full-time employment criteria during the pandemic, overhaul the disqualification rules to reflect the original intent of Congress, clarify the kinds of payments and services that count toward forgiveness, as well as expand the types of loans that may be forgiven.
- Support efforts to improve the affordability and accessibility of higher education for all students.
- We also ask that Congress support Higher Education Act (HEA) programs in which museums participate, including HEA-Title VI International and Foreign Language Education.

## Higher Education Plays a Key Role in Americans' Economic Fortunes

Median earnings for adults with a bachelor's degree are approximately 64 percent higher than those with a high school diploma, according to data from the Bureau of Labor Statistics. Yet, student loan balances constitute the largest source of debt for American households. The average member of the Class of 2015 with student loans owed approximately \$34,000 at graduation.

## Talking Points

- While we applaud efforts in Congress to simplify federal student assistance, simplification must not come at the cost of making college more expensive for millions of students and families.
- The Public Service Loan Forgiveness (PSLF) program was enacted with bipartisan support in 2007, partly in order to create incentives for motivated and committed individuals to pursue careers in service to the public.
- While many museum jobs require bachelor's or even advanced degrees, nonprofit museum professionals often do not earn as much as they might in the private sector. PSLF is a vital tool in allowing talented and highly trained employees from all socioeconomic backgrounds to work at organizations that make an impact in their community.
- The PSLF program is affordable. The Congressional Budget Office estimates that the federal government will profit from federal student loans by \$81 billion in the next decade. Most estimates of the cost of PSLF over that time period range from \$6-8 billion.
- Museums are essential educational assets in their communities, spending more than \$2 billion on education programming and providing millions of hours of instruction to students and teachers alike.
- Many museums benefit from HEA programs and are valued partners with a diverse array of education and nonprofits organizations, including in HEA-Title VI International and Foreign Language Education.

# Higher Education

## Background

The PSLF program was created by the College Cost Reduction and Access Act of 2007. It allows borrowers to earn forgiveness on eligible loans only after they work full-time in a qualifying public service position while making 120 on-time monthly payments on their loans. However, only a very small number of public service worker applicants are getting their loans forgiven and the program needs improving. A wide range of other federal initiatives—such as Pell Grants and subsidized loans—also play a key role in helping students afford to obtain higher education.

## Status

Regarding PSLF, the Department of Education in October 2021 announced an overhaul of the Public Service Loan Forgiveness program designed to allow millions of public service workers who have been struggling under the weight of student loan debt a path to relief. In short, borrowers who were previously ineligible because they had the wrong loan, were making payments on the wrong payment plan, or were knocked off track due to processing errors can now receive credit toward forgiveness for those years worked in public service.

New Department of Education [regulations](#) are expected to go into effect in July 2023. The new rules will reduce some of the barriers that have in the past prevented borrowers working in public service jobs from getting their remaining debts cancelled after 10 years in repayment. The new rules will make permanent some of the elements of the temporary [PSLF waiver that ended October 31](#).

AAM is a member of the [PSLF Coalition](#), which consists of over 90 organizations committed to supporting Public Service Loan Forgiveness. Additional information on PSLF is [here](#).

The HEA, first signed into law in 1965, is supposed to be renewed every five years. However, the last reauthorization was in 2008, and it has been running on a series of temporary extensions ever since. There have been efforts in each Congress to pass a bill or series of bills; however, none have ever been enacted.