

TRUMP BUDGET: PUBLIC SERVICE LOAN FORGIVENESS PROGRAM CUTS

President Trump's budget eliminates a program to help students seeking a career in public service and rural communities across the country are in desperate need of teachers, doctors, and other public servants.

Trump's Budget Proposal Eliminated The Public Service Loan Forgiveness Program, Destined To Harm Low-Income, Rural Areas

TRUMP'S BUDGET PROPOSED ELIMINATION OF THE PUBLIC SERVICE LOAN FORGIVENESS PROGRAM, EFFECTIVE JULY 2018

Trump's Budget Proposal Eliminated The Public Service Loan Forgiveness Program Effective July 1, 2018. According to the White House Office of Management and Budget, "To support this streamlined pathway to debt relief for undergraduate borrowers, and to generate savings that help put the Nation on a more sustainable fiscal path, the Budget eliminates the Public Service Loan Forgiveness program, establishes reforms to guarantee that all borrowers in IDR pay an equitable share of their income, and eliminates subsidized loans. These reforms will reduce inefficiencies in the student loan program and focus assistance on needy undergraduate student borrowers instead of high-income, high-balance graduate borrowers. All student loan proposals apply to loans originated on or after July 1, 2018, except those provided to borrowers to finish their current course of study." [White House Office of Management and Budget, [5/23/17](#)]

THE PROGRAM WAS DESIGNED TO ATTRACT TEACHERS, DOCTORS, AND OTHER PUBLIC SECTOR WORKERS TO LOW-INCOME, RURAL AREAS IN EXCHANGE FOR LESS STUDENT DEBT

The Public Service Loan Forgiveness Program Was Launched In 2007 To Motivate University Graduates To Take Government And Teaching Jobs In Remote Rural Areas. According to The Associated Press, "The document also calls for eliminating the Public Service Loan Forgiveness program with the aim of saving \$859 million. That program was launched in 2007 with the idea to motivate university graduates to take government and teaching jobs in remote rural areas. Under the program, the remainder of a student's debt is forgiven after he or she makes 120 qualifying payments, or typically after 10 years." [Associated Press, [5/23/17](#)]

Trump's Budget Cut Would Impact Aspiring Teachers, Public Defenders, Social Workers, And Primary Care Doctors, Many Of Whom Worked In Low-Income Areas For Below-Average Pay, Despite Their Loans. According to CNN Money, "They chose careers as teachers, public defenders, social workers, and primary care doctors. Many work in low-income areas for below-average pay, despite their loans. Some have moved to different states and turned down higher-paying, private sector jobs to stay in the program. Now they're hoping it wasn't all for nothing. President Trump's proposed budget, released Tuesday, calls for eliminating the already-troubled program for new borrowers. The cut, which requires an act of Congress, would save \$27.5 billion over 10 years if enacted." [CNN Money, [5/23/17](#)]

- **National College Access Network Director Of Policy And Advocacy Carrie Warick: "The Elimination Of The Public-Service Loan-Forgiveness Program Would Make It More Difficult For Nonprofit Organizations To Recruit Qualified Staff Members."** According to The Chronicle Of Higher Education, "The elimination of the public-service loan-forgiveness program, [Carrie Warick, director of policy and advocacy at the National College Access Network]

added, would make it more difficult for nonprofit organizations to recruit qualified staff members.” [Chronicle Of Higher Education, [5/23/17](#)]

Under The Program, Students Who Went On To Work In The Public Sector Could Have Their Debt Forgiven After Making 120 Qualifying Monthly Payments Or 10 Years’ Worth Of Payments.

According to The Washington Post, “Another change in the spending plan calls for the elimination of Public Service Loan Forgiveness, a program that wipes away federal student debt for people in the public sector after they have made 120 qualifying monthly payments, or 10 years’ worth of payments. The program, enacted in 2007 under President George W. Bush, was designed to encourage college graduates to pursue careers as social workers, teachers, public defenders or doctors in rural areas.” [Washington Post, [5/17/17](#)]

RURAL AREAS ALREADY SUFFER A SHORTAGE OF DOCTORS AND TEACHERS

One-Fifth Of Americans Live In Rural Areas, But About One-Tenth Of Physicians Are In Rural Areas. According to The Atlantic, “There are about 6,000 federally designated areas with a shortage of primary care doctors in the U.S., and 4,000 with a shortage of dentists. Rural areas have about 68 primary care doctors per 100,000 people, compared with 84 in urban centers. Put another way, about a fifth of Americans live in rural areas, but barely a tenth of physicians practice there.” [The Atlantic, [8/28/14](#)]

National School Boards Association: “More Than 40 Percent Of All Small, Rural School Districts In The Country Have Serious Difficulties Filling Vacant Teaching Positions.” According to the National School Boards Association, “More than 9 million students are enrolled in rural public elementary and secondary schools, according to the U.S. Department of Education, National Center for Education Statistics. And more than 40 percent of all small, rural school districts in the country have serious difficulties filling vacant teaching positions. The number of unfilled teaching positions in schools serving Indian Country, some of the smallest and most isolated areas, has doubled over the last 10 years.” [National School Boards Association, accessed [2/28/17](#)]