

MOTION

BUDGET & FINANCE

In less than 60 days, tens of millions of student loan borrowers, including young Angelenos and City employees, are slated to be thrown back into repayment on student loans as the economy experiences the highest rate of inflation in nearly four decades. Payments on these loans as well as interest accumulation have been paused since March 2020 due to the economic crisis created by the COVID-19 pandemic. The U.S. federal government currently runs the Public Service Loan Forgiveness Program which cancels the balances of direct loans for eligible borrowers who are employed full-time in government or not-for-profit organizations once they've made 120 monthly qualified payments under qualified repayment plans. Many City employees may be ineligible for the Public Service Loan Forgiveness Program either because they have private student loans, work part-time, or are unable to navigate the system itself.

The COVID-19 pandemic has amplified a City staffing shortage still felt from the The Great Recession. If the City hopes to increase staffing levels and recruit a highly educated workforce, Student Loan Forgiveness incentives may help attract qualified candidates. A dual effort must be made to both proactively help young Angelenos from being saddled with student loan debt, while retaining talented employees who already struggle with student loan debt.


The Youth Development Department (YDD) was created to be the stronghold for youth resources. With the YDD's proposed suite of training and courses on college aid and personal financial management, this wealth-building support for young Angelenos may further prepare youth to avoid harmful student loan borrowing practices. Completion of these courses should be paired with an educational support stipend that can help support students who already have debt associated with educational costs. Participants of the financial management program should also be encouraged to take part in workforce training catered to public service, which may help address the City's staffing needs.

I THEREFORE MOVE that the City Council instruct the City Administrative Officer (CAO), in coordination with the YDD, the Office of Finance, and other pertinent departments, be requested to report back on the feasibility of establishing a one million dollar single payment fund for stipends available to participants of the YDD's student financial literacy program.

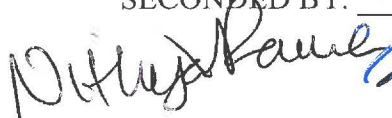

I FURTHER MOVE that the City Council instruct the City Legislative Analyst (CLA), CAO, Office of Finance in coordination with the Personnel Department to report back on any gaps in the Public Service Student Loan Forgiveness Program and what options there might be for a City-run similar program.

I FURTHER MOVE that the CAO be directed to identify funding in the 2022-23 Budget to support the intent of this Motion.

PRESENTED BY:


MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:


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