

**DEPARTMENT OF DEFENSE  
INFORMATION PAPER**

**SUBJECT:** HR4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act

**DATE:** January 10, 2018

**DOD POSITION:** Oppose

DoD opposes this legislation because the Public Service Loan Forgiveness (PSLF) program has been an important recruitment and retention tool for the military to compete with civilian sector, predominantly in specialty fields, such as the Judge Advocates General Corps, for whom graduate degrees are required. The absence of this program, particularly in a strong economy, makes recruitment and retention especially difficult in specialized occupations.

The Public Service Loan Forgiveness (PSLF) program was implemented in 2007 to encourage people earning expensive college degrees to pursue full-time employment in certain public service jobs (to include the government). After working continuously for ten years in public service jobs, which includes active-duty military service, and making regular monthly federal loan payments, borrowers can apply to the U.S. Department of Education, to have any remaining federal school loan balances forgiven. This is a powerful incentive for public service-minded people to pursue a career in the Armed Forces of the United States. By forgiving the remaining balance on eligible federal student loans after 120 qualifying payments (approximately 10 years of service), the PSLF Program offers a financially viable alternative to employment in the private sector, in many cases making service in the Armed Forces an attractive career option for many young Americans who might not otherwise be able to consider the option amidst the steadily increasing costs of higher education.

The Department opposes the Guthrie Amendment, as drafted, because it would sunset the PSLF, thereby removing an invaluable recruiting and retention tool from the arsenals of the U.S. Armed Forces. Elimination or restriction of the PSLF Program would adversely affect anyone considering public service who financed his or her own education - both undergraduate and graduate degrees - disproportionately impacting those in specialty fields, such as the Judge Advocate General Corps, for whom graduate degrees are required. With the increasing costs of higher education, recruitment and retention is increasingly difficult. Moreover, as the economy grows, the opportunity for much higher paying positions in the civilian sector makes it increasingly difficult for the Armed Services to compete for quality specialty personnel. Accordingly, the Department opposes any plans, or legislative proposals or provisions, to terminate this invaluable program or which do not except the Armed Forces from the sunset provisions.

Should Congress nevertheless desire to sunset the PSLF, the Department supports the language in the Guthrie Amendment that would: (1) grandfather approximately 6,800 current Service members who are anticipating college debt forgiveness under the PSLF Program based on a mutual commitment between the member and the U.S. Government; and (2) continue eligibility under that authority for loans made under the program through September 30, 2024 or, alternately, for new borrowers who receive a loan under the program for which the first disbursement is on or before June 30, 2019. If this amendment is pursued, however, we would recommend an appropriate increase in funding for the Services to develop alternative recruitment and retention incentive programs to offset the loss of the PSLF program.