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AB-1202 Student loans: California Legislative Staff Education Loan Repayment Program. (2025-2026)

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Date Published: 03/24/2025 09:00 PM

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE — 2025-2026 REGULAR SESSION

**ASSEMBLY BILL** NO. 1202

**Introduced by Assembly Member Ahrens** 

February 21, 2025

An act relating to student loans. An act to add Section 69518.6 to the Education Code, relating to student loans.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1202, as amended, Ahrens. Legislative staff: loan forgiveness program. Student loans: California Legislative Staff Education Loan Repayment Program.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

This bill would establish the California Legislative Staff Education Loan Repayment Program, under the administration of the commission, to provide up to \$50,000 in student loan repayment per applicant, disbursed in equal monthly installments over 20 years, as specified. The bill would require applicants for the program to be full-time eligible employees, as defined, of the California State Assembly or the California State Senate who have served for a minimum of 12 months. The bill would require an applicant to provide proof of full-time employment and for the applicant's supervisor or manager to attest, under penalty of perjury, that the applicant is in good standing with their employer. By expanding the crime of perjury, the bill would impose a statemandated local program. The bill would create the California Legislative Staff Education Loan Repayment Fund and authorize the commission to accept donations for purposes of the program and deposit them in the fund. The bill would require the commission to monitor the program for fraud and to annually report to the Legislature on the program, as specified. The bill would make the operation of the program contingent upon an appropriation in the annual Budget Act or another statute.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

This bill would state the intent of the Legislature to enact future legislation that would establish a legislative staff loan forgiveness program with the purpose of encouraging individuals to enter and continue employment as full-time legislative staff.

Vote: majority Appropriation: no Fiscal Committee: noves Local Program: noves

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 69518.6 is added to the Education Code, to read:

- **69518.6.** (a) The California Legislative Staff Education Loan Repayment Program is hereby established for purposes of encouraging individuals to enter and continue employment as full-time legislative staffers in the California State Assembly and the California State Senate by providing up to fifty thousand dollars (\$50,000) in student loan repayment, consistent with the requirements of this section.
- (b) The commission shall administer the program, consistent with the requirements of this section.
- (c) The commission shall develop guidelines and materials to implement this program. All guidelines and materials shall be posted on the commission's internet website.
- (d) (1) The commission shall award each applicant who qualifies for the program up to fifty thousand dollars (\$50,000) in loan repayment for outstanding student loan debt, disbursed in equal monthly installments over 20 years. Applicants shall be eligible for an equal installment disbursement for each month of full-time employment as an eligible employee. If an eligible employee leaves employment before receiving the full repayment amount, they shall forfeit any remaining balance of loan repayment.
  - (2) Installment disbursements may be taxed, consistent with applicable state and federal law.
- (e) (1) Applicants shall be an eligible employee who has been employed for a minimum of 12 continuous months and for the month for which they are applying for a loan repayment installment disbursement. An applicant shall provide proof of full-time employment when submitting an application to the commission for loan repayment. In addition, the applicant's supervisor or manager shall attest, under penalty of perjury, that the applicant is in good standing with their employer.
  - (2) After their initial 12 months of continuous employment, applicants may apply for retroactive installment amounts for months 6 to 12, inclusive, of their initial employment.
- (f) There is hereby created the California Legislative Staff Education Loan Repayment Fund. The commission may accept donations for purposes of the program established pursuant to this section, and deposit those donations in the fund. Moneys in the fund shall be available upon appropriation by the Legislature for purposes of this section.
- (g) The commission shall monitor the program for fraud. If the commission determines that an applicant is applying for the program using fraudulent materials, the commission may deny the applicant and pursue legal recourse. If the commission has awarded loan repayment in error or due to fraudulent materials, the commission may pursue legal action to recover the funds and deposit them in the California Legislative Staff Education Loan Repayment Fund.
- (h) (1) Notwithstanding Section 10231.5 of the Government Code, the commission shall report to the Legislature annually, on or before January 1 of each year, the number of awardees who qualified for the funding, the amount of funds in the California Legislative Staff Education Loan Repayment Fund, and estimates on the amount needed to sustain the program and promote its growth. The commission may also include recommendations for improving the program so long as it furthers the intent of the program.
  - (2) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government
- (i) The commission shall use no more than 5 percent of funds appropriated for purposes of this section for the administration of the program.
- (j) For the purposes of this section, the following definitions apply:
  - (1) "Eligible employee" means an individual employed in a full-time capacity as a legislative staffer for a member of the California State Assembly or the California State Senate, or by a committee of the California State Assembly of the California State Senate.
  - (2) "Eligible loan" means any student loan incurred for postsecondary education and serviced by a recognized lender, as determined by the commission.

(3) "Full-time employment" means working 40 hours per week for the California State Assembly or the California State Senate in a legislative capacity, as described in paragraph (1).

(k) The operation of this section is contingent upon an appropriation for its purposes in the annual Budget Act or another statute. **SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SECTION 1.It is the intent of the Legislature to enact future legislation that would establish a legislative staff loan forgiveness program with the purpose of encouraging individuals to enter and continue employment as full-time legislative staff.