



Mary Gauvain  
Telephone: (510) 987-0887  
Email: mary.gauvain@ucop.edu

Chair of the Assembly of the Academic Senate  
Faculty Representative to the Regents  
University of California  
1111 Franklin Street, 12th Floor  
Oakland, California 94607-5200

May 5, 2021

**MICHAEL DRAKE, PRESIDENT  
UNIVERSITY OF CALIFORNIA**

**Re: Student Loan Guidance and Financial Literacy**

Dear President Drake,

At its April 28, 2021 meeting, the Academic Council endorsed the attached letters from the University Committee on Faculty Welfare (UCFW) and its Task Force on Investment and Retirement (TFIR) recommending ways the University can support employees burdened by student loan debt.

UCFW and TFIR emphasize that new UC initiatives around financial literacy resources, training, and advice will empower faculty and staff, and also support employee recruitment and retention, particularly in the context of diversity, equity, and inclusion.

UCFW and TFIR also suggest that the University take a leadership role at the federal policy level in advocating for reforms to the Public Service Loan Forgiveness Program, and encouraging other federal initiatives that simplify loan repayments and ease the burden of student loan debt on borrowers.

Please do not hesitate to contact me if you have additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Mary Gauvain".

Mary Gauvain, Chair  
Academic Council

Cc: Provost Brown  
Academic Council  
Chief of Staff Kao  
Chief Policy Advisor McAuliffe  
Chief of Staff Peterson  
Senate Directors  
Senate Director Baxter

Encl.



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
Shelley Halpain, Chair  
[Shalpain@ucsd.edu](mailto:Shalpain@ucsd.edu)

Assembly of the Academic Senate  
1111 Franklin Street, 12<sup>th</sup>  
Oakland, CA 94607-5200

March 24, 2021

**MARY GAUVAIN, CHAIR  
ACADEMIC COUNCIL**

**RE: Student Loan Guidance and Financial Literacy**

Dear Mary,

The University Committee on Faculty Welfare (UCFW) continues to discuss recruitment and retention of new faculty, and we approach this from a diversity, equity, and inclusion perspective. As the national conversation reflects, one obstacle to starting new careers is student loan debt. UCFW asked its Task Force on Investment and Retirement (TFIR) to help us consider institutional options to reduce or assist with student loan debt.

We began with the federal [Public Service Loan Forgiveness](#) program. We learned that it is notoriously difficult to navigate and as a result, rejection rates are over 95%. Confusion about consolidation and repayment options is rampant. Employer savings programs to assist in repayment can be created, but funding must be found and there are tax challenges. While the largest student loan debts commonly accrue in medicine and law, successful doctors and lawyers can often repay their loans easily, but not all are as rapidly successful, and some choose less lucrative specialties. Students from disadvantaged backgrounds often use loans for living expenses, not just tuition and fees, suggesting their need for more types of and more accessible assistance programs is urgent. We ask the Council to join us and call on the administration to work with new hires to help them enroll in this and similar programs, and to call on the Department of Education to reform the program and its communications and support. The administration should also work to leverage its own programs, such as Advancing Faculty Diversity and the President's Post-Doctoral Fellowship Program, to emphasize debt remediation options.

Of course, student loan debt is just one financial obstacle many may face. Some cultures or workplaces may discourage openly discussing financial matters. Indeed, overall financial literacy is a skill that far too many lack, and one that UC could usefully impart to the entire university community, including students, staff, and faculty.

Sincerely,

Shelley Halpain, UCFW Chair

Encl.

Copy: UCFW  
Hilary Baxter, Executive Director, Academic Senate  
Robert Horwitz, Academic Council Vice Chair



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
Task Force on Investment and Retirement (TFIR)  
David Brownstone, Chair  
[dbrownst@uci.edu](mailto:dbrownst@uci.edu)

Assembly of the Academic Senate  
1111 Franklin Street, 12<sup>th</sup>  
Oakland, CA 94607-5200  
Phone: (510) 987-9466  
Fax: (510) 763-0309

March 9, 2021

**SHELLEY HALPAIN, CHAIR**  
**UNIVERSITY COMMITTEE ON FACULTY WELFARE**

**RE: Student Loan Debt**

Dear Shelley,

The Task Force on Investment and Retirement (TFIR) earlier this year explored possible ways that the University could support employees coping with student loan debt that they carry. We recognize that for an ever-growing share of graduates of colleges, universities, and graduate programs, borrowing has become a rite of passage. The monthly repayment obligations are both sources of financial anxiety and obstacles that slow progress toward major life milestones, from buying a house – even one subsidized in part by the University through its Mortgage Origination Program – to getting married or having children. TFIR members are concerned that student debt may get in the way of encouraging, recruiting, and retaining talented candidates for faculty, staff, and administrative positions at the University, the continued excellence of which depends on hiring candidates who are themselves excellent.

The University has an advantage in recruitment in that this institution qualifies as a “public interest employer” for purposes of the federal Public Service Loan Forgiveness program (“PSLF”). However, PSLF has been plagued by inefficiency and incompetence, and media coverage of its operations disclosed that 99 percent of applicants for the forgiveness the program promised were denied. As of this moment, it is not clear what steps the new administration in Washington, D.C., will take to implement existing regulations more effectively and possibly to revise those regulations. Nor is it clear whether the Department will review improperly rejected applicants and implement changes to ensure that future applicants receive the relief they were promised. Much depends on the new administration.

Congress may also act, perhaps to create new options for employers. Lawmakers could permit them to repay a larger amount of student indebtedness on an annual basis. Conceivably lawmakers could create a statutory framework for an employer to provide an investment option like a 529 plan or 457 or 403(b) retirement plan, or even a flexible spending account, any of which would enable an employee to use pre-tax earnings to repay loans. Currently debate has centered on outright, federal cancellation of some portion of indebtedness rather than more modest reforms like the creation of these vehicles.

We urge the University to use its influence to support the federal initiatives necessary to facilitate the lightening of the burden of student debt on borrowers whom the University comes to employ. This entails support of creation of programs that would enable employers like the University to assist

employees to manage their repayment obligations more easily. The University should also use its influence to support reforming and simplifying the administration of the PSLF program.

We also urge the University to develop its own programming to help student loan borrowers who are employees and who are in repayment to navigate the complex world of diverse repayment plans and the challenging path to cancellation through PSLF. These are areas where the equivalent of investment advice could prove quite valuable to relatively young and financially unsophisticated borrowers who do not yet recognize either the consequences of their monthly payments or the options that they may have to help manage them. We are ready to consult or otherwise support efforts to develop programming that would support UC faculty, staff, and administrators who are in repayment.

Sincerely,

David Brownstone, TFIR Chair

Copy: TFIR  
Hilary Baxter, Executive Director, Academic Senate  
Mary Gauvain, Academic Council Chair