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**SUBSTITUTE SENATE BILL 5847**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senate Higher Education & Workforce Development (originally sponsored by Senators Liiias, Randall, Das, Hasegawa, Keiser, Kuderer, Lovick, Nguyen, Nobles, Saldaña, and C. Wilson)

READ FIRST TIME 02/02/22.

1 AN ACT Relating to providing information to public service  
2 employees about the public service loan forgiveness program; adding a  
3 new section to chapter 28B.77 RCW; adding a new section to chapter  
4 43.41 RCW; adding a new section to chapter 41.04 RCW; creating a new  
5 section; providing an effective date; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that our  
8 country faces a student loan debt crisis. Nationally, Americans owe  
9 \$1.73 trillion in student loans. In Washington state, about 767,300  
10 student loan borrowers owe nearly \$27.4 billion of outstanding debt,  
11 more than \$35,700 per borrower on average.

12 (2) Student loan debt is a multigenerational issue that affects  
13 borrowers of all ages and jeopardizes millions of families' long-term  
14 financial security. While student loan balances have risen for all  
15 age groups, older borrowers have seen the largest increase. Student  
16 loan defaults rise with the borrower's age, and parents and  
17 grandparents take on debt to help their children and grandchildren  
18 pay for their education. Borrowers are increasingly defaulting on  
19 their debts, resulting in income garnishment and deductions from  
20 federal tax refunds or social security payments.

1 (3) The legislature further recognizes that the federal  
2 government offers and provides loan forgiveness for individuals who  
3 have worked in a public service job full time and have made  
4 qualifying payments towards their student loans. Unfortunately, the  
5 eligibility criteria to qualify for this program has been complex,  
6 leading to low approval rates for individuals who would otherwise  
7 qualify. By providing more public awareness of this program, the  
8 legislature intends to help alleviate the student loan debt burden of  
9 those who have committed their lives to public service.

10 (4) It is the intent of the legislature to do the following:

11 (a) Develop materials to increase awareness of the federal public  
12 service loan forgiveness program;

13 (b) Create a program for state agencies to certify employment for  
14 the purpose of the public service loan forgiveness program;

15 (c) Have public service employers collaborate on a statewide  
16 initiative to improve access and remove barriers to the public  
17 service loan forgiveness program for all public service employees in  
18 the state; and

19 (d) Acknowledge the work done outside the classroom by part-time  
20 academic employees, allowing for those hours to be counted towards  
21 the definition of full time for the public service loan forgiveness  
22 program as set forth in 34 C.F.R. Sec. 685.219.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.77  
24 RCW to read as follows:

25 (1) The student loan advocate, established in RCW 28B.77.007,  
26 shall develop, and update annually as necessary, materials designed  
27 to increase awareness of the public service loan forgiveness program.  
28 Materials include, at minimum:

29 (a) A standardized letter for public service employers to send to  
30 their employees briefly summarizing the public service loan  
31 forgiveness program, information about what eligible employees are  
32 required to do in order to benefit from the program, and how an  
33 eligible employee may contact their student loan servicer for  
34 additional resources;

35 (b) A detailed fact sheet describing the public service loan  
36 forgiveness program, including the official website address  
37 maintained by the United States department of education for the  
38 program and contact information for the student loan advocate; and

1 (c) A document containing frequently asked questions about the  
2 public service loan forgiveness program.

3 (2) The student loan advocate shall coordinate with the office of  
4 financial management, the secretary of state, local governmental  
5 entities, and other relevant agencies and public service employer  
6 entities to ensure that public service employers receive materials  
7 developed in subsection (1) of this section.

8 (3) For purposes of this section, the definitions in this  
9 subsection apply:

10 (a) "Public service employer" includes the following:

11 (i) Any governmental entity including state, county, city, or  
12 other local government entity including political subdivisions, such  
13 as office, department, independent agency, school district, public  
14 college or university system, public library system, authority, or  
15 other body including the legislature and the judiciary;

16 (ii) Any employer that has received designation as a tax-exempt  
17 organization pursuant to Title 26 U.S.C. Sec. 501(c)(3) of the  
18 federal internal revenue code of 1986, as amended;

19 (iii) Any other entities identified as a public service job in  
20 Title 20 U.S.C. Sec. 1087e(m).

21 (b) "Public service loan forgiveness program" means the federal  
22 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.  
23 1087e(m) and 34 C.F.R Sec. 685.219.

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.41  
25 RCW to read as follows:

26 (1) The office of financial management shall:

27 (a) Develop a program for state agencies to certify employment  
28 for the purposes of the public service loan forgiveness program and  
29 assist the student loan advocate in creating and distributing  
30 materials designed to increase awareness of the public service loan  
31 forgiveness program set forth in section 1 of this act.

32 (b) Collaborate with the student achievement council, the  
33 employment security department, the department of retirement systems,  
34 nonprofit entities, local government representatives, and other  
35 public service employers in developing a statewide initiative to  
36 improve access and remove barriers to the public service loan  
37 forgiveness program for all public service employees. The program  
38 established for state agencies in this section and the certification  
39 process in section 4 of this act may be considered in the development

1 of the initiative. A plan for a statewide initiative must be  
2 developed and submitted to the higher education committees of the  
3 legislature by December 1, 2024, in compliance with RCW 43.01.036.

4 (2) For purposes of this section, the definitions in this  
5 subsection apply:

6 (a) "Certifying employment" means either completing the employer  
7 sections of the public service loan forgiveness form or sharing data  
8 directly with the United States department of education that  
9 corresponds to the information required for the public service loan  
10 forgiveness form, as allowed by the United States department of  
11 education.

12 (b) "Public service employer" includes the following:

13 (i) Any governmental entity including state, county, city, or  
14 other local government entity including political subdivisions, such  
15 as office, department, independent agency, school district, public  
16 college or university system, public library system, authority, or  
17 other body including the legislature and the judiciary;

18 (ii) Any employer that has received designation as a tax-exempt  
19 organization pursuant to Title 26 U.S.C. Sec. 501(c)(3) of the  
20 federal internal revenue code of 1986, as amended;

21 (iii) Any other entities identified as a public service job in  
22 Title 20 U.S.C. Sec. 1087e(m).

23 (c) "Public service loan forgiveness program" means the federal  
24 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.  
25 1087e(m) and 34 C.F.R. Sec. 685.219.

26 (d) "State agency" or "agency" means departments, offices,  
27 agencies, or institutions of state government, the legislature,  
28 institutions of higher education, school districts, and educational  
29 service districts.

30 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.04  
31 RCW to read as follows:

32 (1) A state agency shall provide the materials described in  
33 section 2 of this act in written or electronic form to:

34 (a) All employees annually;

35 (b) Newly hired employees within 30 days of the employee's first  
36 day of employment.

37 (2) State agencies must certify employment for the purposes of  
38 the public service loan forgiveness program in accordance with the  
39 program established in section 3 of this act.

1 (a) If a state agency does not directly certify employment with  
2 the United States department of education, the state agency must  
3 annually provide notice of renewal and a copy of the public service  
4 loan forgiveness form with employer information and employment  
5 certification sections of the form already completed reflecting at  
6 least the last 12 months of employment to:

7 (i) An employee who requests a public service loan forgiveness  
8 form;

9 (ii) Any current employee for whom the state agency has  
10 previously certified employment, unless the employee has opted out;  
11 and

12 (iii) An employee who has separated from service or employment,  
13 unless the employee has opted out.

14 (b) A state agency shall not unreasonably delay in certifying  
15 employment.

16 (c) A state agency must seek permission from its employees prior  
17 to certifying their employment.

18 (d) For the purpose of determining whether a part-time academic  
19 employee is considered full time for certifying employment for the  
20 public service loan forgiveness program, duties performed in support  
21 of, or in addition to, contractually assigned in-class teaching hours  
22 must be included. To calculate this, each hour of in-class teaching  
23 time shall be multiplied by 3.35 hours. This subsection shall not  
24 supersede any calculation or adjustment established by a collective  
25 bargaining agreement or employer policy for additional work done  
26 outside of in-class teaching. A state agency shall not treat any  
27 adjusted total hours worked differently from hours worked without an  
28 adjustment when determining whether an employee is full time.

29 (e) A state agency may send the information necessary for public  
30 service loan forgiveness employment certification to the United  
31 States department of education, or its agents, if the United States  
32 department of education permits public service employers to certify  
33 employment for past or present individual employees or groups of  
34 employees directly, notwithstanding other provisions of law.

35 (f) The office of financial management is authorized to adopt  
36 rules for the purpose of this section.

37 (3) An employee of a state agency may opt out of the employment  
38 certification process established in section 3 of this act at any  
39 time.

1 (4) For purposes of this section, the definitions in this  
2 subsection apply:

3 (a) "Certifying employment" means either completing the employer  
4 sections of the public service loan forgiveness form or sharing data  
5 directly with the United States department of education that  
6 corresponds to the information required for the public service loan  
7 forgiveness form.

8 (b) "Full time" has the same meaning as set forth in 34 C.F.R.  
9 Sec. 685.219.

10 (c) "Public service employer" includes the following:

11 (i) Any governmental entity including state, county, city, or  
12 other local government entity including political subdivisions, such  
13 as office, department, independent agency, school district, public  
14 college or university system, public library system, authority, or  
15 other body including the legislature and the judiciary;

16 (ii) Any employer that has received designation as a tax-exempt  
17 organization pursuant to Title 26 U.S.C. Sec. 501(c)(3) of the  
18 federal internal revenue code of 1986, as amended;

19 (iii) Any other entities identified as a public service job in  
20 Title 20 U.S.C. Sec. 1087e(m).

21 (d) "Public service loan forgiveness program" means the federal  
22 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.  
23 1087e(m) and 34 C.F.R. Sec. 685.219.

24 (e) "State agency" or "agency" means departments, offices,  
25 agencies, or institutions of state government, the legislature,  
26 institutions of higher education, school districts, and educational  
27 service districts.

28 NEW SECTION. **Sec. 5.** Section 4 of this act takes effect July 1,  
29 2023.

30 NEW SECTION. **Sec. 6.** Except for section 4 of this act, this act  
31 is necessary for the immediate preservation of the public peace,  
32 health, or safety, or support of the state government and its  
33 existing public institutions, and takes effect immediately.

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