

ESSB 5847 - H COMM AMD
By Committee on Appropriations

ADOPTED 03/03/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature recognizes that our
4 country faces a student loan debt crisis. Nationally, Americans owe
5 \$1.73 trillion in student loans. In Washington state, about 767,300
6 student loan borrowers owe nearly \$27.4 billion of outstanding debt,
7 more than \$35,700 per borrower on average.

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

17 (3) The legislature further recognizes that the federal
18 government offers and provides loan forgiveness for individuals who
19 have worked in a public service job full time and have made
20 qualifying payments towards their student loans. Unfortunately, the
21 eligibility criteria to qualify for this program has been complex,
22 leading to low approval rates for individuals who would otherwise
23 qualify. By providing more public awareness of this program, the
24 legislature intends to help alleviate the student loan debt burden of
25 those who have committed their lives to public service.

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

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

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

31 (c) Have public service employers collaborate on a statewide
32 initiative to improve access and remove barriers to the public

1 service loan forgiveness program for all public service employees in
2 the state; and

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

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

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

13 (a) A standardized letter for public service employers to send to
14 their employees briefly summarizing the public service loan
15 forgiveness program, information about what eligible employees are
16 required to do in order to benefit from the program, and how an
17 eligible employee may contact their student loan servicer for
18 additional resources;

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

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

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

30 (3) For purposes of this section, the definitions in this
31 subsection apply:

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

33 (i) Any governmental entity including state, county, city, or
34 other local government entity including political subdivisions, such
35 as office, department, independent agency, school district, public
36 college or university system, public library system, authority, or
37 other body including the legislature and the judiciary;

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

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

6 (b) "Public service loan forgiveness program" means the federal
7 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.
8 1087e(m) and 34 C.F.R. Sec. 685.219.

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

11 (1) The office shall:

12 (a) Develop a program for state agencies to certify employment
13 for the purposes of the public service loan forgiveness program by
14 July 1, 2023.

15 (b) Assist the student loan advocate in creating and distributing
16 materials designed to increase awareness of the public service loan
17 forgiveness program set forth in section 1 of this act.

18 (c) Collaborate with the student achievement council, the
19 employment security department, the department of retirement systems,
20 nonprofit entities, local government representatives, and other
21 public service employers in developing a statewide initiative to
22 improve access and remove barriers to the public service loan
23 forgiveness program for all public service employees. The program
24 established for state agencies in this section and the certification
25 process in section 4 of this act may be considered in the development
26 of the initiative. A plan for a statewide initiative must be
27 developed and submitted to the higher education committees of the
28 legislature by December 1, 2024, in compliance with RCW 43.01.036.

29 (2) For purposes of this section, the definitions in this
30 subsection apply:

31 (a) "Certifying employment" means either completing the employer
32 sections of the public service loan forgiveness form or sharing data
33 directly with the United States department of education that
34 corresponds to the information required for the public service loan
35 forgiveness form, as allowed by the United States department of
36 education.

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

38 (i) Any governmental entity including state, county, city, or
39 other local government entity including political subdivisions, such

1 as office, department, independent agency, school district, public
2 college or university system, public library system, authority, or
3 other body including the legislature and the judiciary;

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

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

9 (c) "Public service loan forgiveness program" means the federal
10 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.
11 1087e(m) and 34 C.F.R. Sec. 685.219.

12 (d) "State agency" or "agency" means departments, offices,
13 agencies, or institutions of state government, the legislature,
14 institutions of higher education, school districts, and educational
15 service districts.

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

18 (1) As soon as available, a state agency shall provide the
19 materials described in section 2 of this act in written or electronic
20 form to:

21 (a) All employees annually;

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

24 (2) A state agency must certify employment for the purposes of
25 the public service loan forgiveness program in accordance with the
26 program established in section 3 of this act beginning July 1, 2023.

27 (a) If a state agency does not directly certify employment with
28 the United States department of education, the state agency must
29 annually provide notice of renewal and a copy of the public service
30 loan forgiveness form with employer information and employment
31 certification sections of the form already completed reflecting at
32 least the last 12 months of employment to:

33 (i) An employee who requests a public service loan forgiveness
34 form;

35 (ii) Any current employee for whom the state agency has
36 previously certified employment, unless the employee has opted out;
37 and

38 (iii) An employee upon separation from service or employment,
39 unless the employee has opted out. The notice of renewal and

1 completed employer sections of the public service loan forgiveness
2 form provided to a separated employee must be sent within 60 days of
3 separation and are exempted from the annual requirement set forth in
4 subsection (2)(a) of this section.

5 (b) A state agency shall not unreasonably delay in certifying
6 employment.

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

9 (d) Institutions of higher education must use the calculation
10 established in section 5 of this act and may apply it retroactively
11 to determine whether a part-time academic employee is considered full
12 time for the public service loan forgiveness program.

13 (e) A state agency may send the information necessary for public
14 service loan forgiveness employment certification to the United
15 States department of education, or its agents, if the United States
16 department of education permits public service employers to certify
17 employment for past or present individual employees or groups of
18 employees directly, notwithstanding other provisions of law.

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

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

24 (4) For purposes of this section, the definitions in this
25 subsection apply:

26 (a) "Certifying employment" means either completing the employer
27 sections of the public service loan forgiveness form or sharing data
28 directly with the United States department of education that
29 corresponds to the information required for the public service loan
30 forgiveness form.

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

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

34 (i) Any governmental entity including state, county, city, or
35 other local government entity including political subdivisions, such
36 as office, department, independent agency, school district, public
37 college or university system, public library system, authority, or
38 other body including the legislature and the judiciary;

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

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

6 (d) "Public service loan forgiveness program" means the federal
7 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.
8 1087e(m) and 34 C.F.R. Sec. 685.219.

9 (e) "State agency" or "agency" means departments, offices,
10 agencies, or institutions of state government, the legislature,
11 institutions of higher education, school districts, and educational
12 service districts.

13 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.04
14 RCW to read as follows:

15 For the purpose of determining whether a part-time academic
16 employee at an institution of higher education is considered full
17 time for certifying employment for the public service loan
18 forgiveness program, duties performed in support of, or in addition
19 to, contractually assigned in-class teaching hours must be included.
20 To calculate this, each hour of in-class teaching time shall be
21 multiplied by 3.35 hours. This section shall not supersede any
22 calculation or adjustment established by a collective bargaining
23 agreement or employer policy for additional work done outside of in-
24 class teaching. An institution of higher education shall not treat
25 any adjusted total hours worked differently from hours worked without
26 an adjustment when determining whether an employee is full time.
27 "Institution of higher education" has the same meaning as
28 "institutions of higher education" in RCW 28B.10.016.

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

33 NEW SECTION. **Sec. 7.** If specific funding for the purposes of
34 this act, referencing this act by bill or chapter number, is not
35 provided by June 30, 2022, in the omnibus appropriations act, this
36 act is null and void."

1 Correct the title.

EFFECT: Changes the date for when state agencies must certify employment for the purposes of the Public Service Loan Forgiveness (PSLF) program to beginning July 1, 2023, rather than by July 1, 2023.

Clarifies the PSLF certification requirement for employees who have separated from service by requiring the state agency to certify employment upon separation from service.

Specifies that the PSLF form must be provided within 60 days of separation and is not an annual requirement for those employees that have separated from service.

Permits institutions of higher education to apply the part-time academic employee calculation for determining full-time employment for purposes of the Public Service Loan Forgiveness program retroactively.

Adds a null and void clause, making the bill null and void unless funded in the budget.

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