
College & Workforce Development Committee

ESSB 5847

Brief Description: Providing information to public service employees about the public service loan forgiveness program.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Lias, Randall, Das, Hasegawa, Keiser, Kuderer, Lovick, Nguyen, Nobles, Saldaña and Wilson, C.).

Brief Summary of Engrossed Substitute Bill

- Requires the Student Loan Advocate to create and provide information on the Public Service Loan Forgiveness (PSLF) program to public service employees.
- Requires the Office of Financial Management (OFM) to develop a program for state agencies to certify employment for the PSLF program by July 1, 2023.
- Requires state agencies to certify employment for current and past employees for the PSLF program by July 1, 2023.
- Requires the OFM to work with certain entities to develop a plan for a statewide initiative for increasing access and removing barriers for the PSLF program for all public service employees by December 1, 2024.
- Establishes a calculation for part-time academic employees' duties outside of assigned in-class teaching to be counted towards full-time employment for the PSLF program.

Hearing Date: 2/16/22

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Megan Mulvihill (786-7304).

Background:

Public Service Loan Forgiveness.

Public Service Loan Forgiveness (PSLF) is a federal program which allows borrowers employed full-time in a public service job, and who have made 120 qualifying payments for certain qualifying loans, to have any remaining balance on their student loans forgiven.

Under federal rules for the program, "full-time" is defined as either the employer's definition of full-time or at least 30 hours per week, whichever is more. A public service job or employer includes government organizations at any level and 501(c) (3) not-for-profit organizations. Labor unions, partisan political organizations, and contract work with a qualifying employer do not count as public service jobs. Loans eligible for forgiveness under the PSLF program must be Federal Direct Loans or consolidated into a Federal Direct Consolidation Loan, and payments must be made under a qualifying income-driven repayment plan.

To receive PSLF, the borrower must submit a form and employment certification to the United States Department of Education (USDOE). A person seeking PSLF may submit a form at any time prior to making 120 qualifying payments. Employment can only be certified by an authorized official of the employer who has access to an applicant's employment or service records.

Student Loan Advocate.

The Student Loan Advocate (Advocate) was created by the Legislature in 2018. The Advocate supports current and future student loan borrowers in Washington State. They work with other state agencies and address student borrower complaints, provide information and resources about student loan repayment, and educate the public about the rights and responsibilities of student loan borrowers.

Summary of Bill:

Public Service Loan Forgiveness Informational Materials.

The Advocate must develop and annually update materials designed to increase awareness of the PSLF program. The Advocate must coordinate with the Office of Financial Management (OFM), the Secretary of State, local governmental entities, and other relevant agencies and public service employers to ensure that public service employees receive the materials developed. The materials include:

- a standardized letter summarizing the PSLF program and the requirements;
- a detailed fact sheet describing the PSLF program with relevant contact information; and
- a document containing frequently asked questions about the PSLF program.

The OFM must also assist the Advocate in creating and distributing the materials. As soon as the materials are available, state agencies are required to provide the materials to all employees

annually and newly hired employees within 30 days of the employee's first day of employment.

Public Service Loan Forgiveness Statewide Initiative.

The OFM must collaborate with the Washington Student Achievement Council, the Employment Security Department, the Department of Retirement Systems, nonprofit entities, local government representatives, and other public service employers to develop a statewide initiative to improve access and remove barriers to the PSLF program. A plan for a statewide initiative must be developed and submitted to the higher education committees of the Legislature by December 1, 2024.

Public Service Loan Forgiveness Employment Certification Program.

The OFM must develop a program for state agencies to certify employment for the purpose of the PSLF program by July 1, 2023. State agencies must certify employment for the PSLF program by July 1, 2023. If a state agency does not certify employment directly with the USDOE, the state agency must annually provide notice of renewal and a copy of the PSLF form with employer information and employment certification sections completed reflecting at least the last 12 months of employment to:

- an employee who requests a PSLF form;
- any current employee for whom the state agency has previously certified employment, unless the employee opts out; and
- an employee who has separated from service or employment, unless the employee has opted out.

A state agency must seek permission from its employees prior to certifying their employment, and an employee may opt out at any time. A state agency must not unreasonably delay in certifying employment. A state agency may send the information for certification directly to the USDOE if permitted, notwithstanding other provisions of law.

Part-Time Academic Employee Calculation.

To determine whether a part-time academic employee at an institution of higher education is considered full-time for the purposes of the PSLF program, duties performed in support of, or in addition to, contractually assigned in-class teaching hours must be included. To calculate this, each hour of in-class teaching time must be multiplied by 3.35 hours. This calculation must not supersede any calculation or adjustment established by a collective bargaining agreement or employer policy for additional work done outside of in-class teaching. An institution of higher education must not treat any adjusted total hours worked differently from hours worked without an adjustment when determining full-time hours. Institutions of higher education are required to use this calculation to determine whether a part-time academic employee is considered full-time for the PSLF program.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.