

SENATE BILL REPORT

SB 5847

As of January 19, 2022

Title: An act relating to providing information to public service employees about the public service loan forgiveness program.

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

Sponsors: Senators Liias, Randall, Das, Hasegawa, Keiser, Kuderer, Lovick, Nguyen, Nobles, Saldaña and Wilson, C..

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/20/22.

Brief Summary of Bill

- Requires the Student Loan Advocate (Advocate) to create and provide information on the Public Service Loan Forgiveness (PSLF) program to public service employees (employees) annually.
- Requires the Office of Financial Management to develop a program for public service employers (employers) to certify employment for the purposes of PSLF.
- Requires employers to provide information created by the Advocate to employees as least annually.
- Establishes a calculation for part-time academic employees' duties outside of assigned in-class teaching to be counted towards full-time employment for the purposes of PSLF.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

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: Kellee Gunn (786-7429)

Background: Public Service Loan Forgiveness (PSLF). 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 get their student loans repaid.

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. To be eligible for PSLF, loans must be a certain type of qualifying loan or consolidated qualifying loan.

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 borrow complaints, provide information and resources about student repayment, and educate the public about the rights and responsibilities of student loan borrowers.

Summary of Bill: Providing Information on Public Service Loan Forgiveness to Public Service Employees. The Advocate, with the Washington Student Achievement Council, must develop materials designed to increase awareness of the PSLF to public service employees annually. Materials must include, at minimum, a standardized letter summarizing PSLF, a detailed fact sheet with certain relevant contact information for PSLF, and a document with frequently asked questions. The Advocate must also coordinate with the Office of Financial Management (OFM), and other public service employer entities, to ensure materials are received.

Program to Certify Employment for Public Service Loan Forgiveness. OFM must develop a program for state agencies and public service employers to certify employment for the purposes of PSLF.

Public Service Employers. Public service employers must provide PSLF materials created by the Advocate to all employees annually and new employees within 30 days of employment.

If the public service employer does not directly certify employment with USDOE, they

must annually provide notice of renewal and a copy of the PSLF certification form to:

- all employees;
- any employee for whom the employer has previously certified employment; and
- an employee who has separated from service or employment

Part-Time Academic Employees. For part-time academic employees to qualify as full-time for PSLF, additional duties outside of contractually assigned in-class teaching hours must be counted by their employers. To count these hours, each hour of in-class teaching must be multiplied by 3.35 hours. This shall not supersede any calculation or adjustment established by collective bargaining.

Appropriation: None.

Fiscal Note: Requested on January 14, 2022.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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