

# SENATE BILL REPORT

## SB 5847

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As of January 20, 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.

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**SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT**

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*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.

**Staff Summary of Public Testimony:** PRO: Just this last year, I received public student loan forgiveness. For folks who have worked in multiple levels of government, or in several different public service jobs, this bill creates a one stop shop for PSLF for public service employees. The 3.35 multiplier for part-time faculty to get full-time status for PSLF is what other states have used. This will make getting PSLF easier for everyone and will help the State.

I have worked as a part-time math professor for the last 20 years. Because I have been in a part-time status, I have had a hard time qualifying for PSLF. This bill will allow part-time faculty to qualify. Oregon and California have already enacted this law. Though there is no retroactivity in this bill, it will still make a huge difference in my life. I am not paid for grading or lesson planning. Even though I have been making payments my loans, rather than diminishing, my student debt has increased over the years. Only recently I have been able to make a dent on the debt.

Increasing access to information in PSLF will help adjunct faculty immensely. The calculation for adjuncts will treat these employees the same as other public service employees. This increases the viability of teaching in higher education. This bill will ensure public servants get the right information, make PSLF more accessible, and treat adjunct faculty the same as they are treated in states like Oregon and California. The pandemic has been brutal on professors and students. Even before the pandemic, affordable housing was nearly impossible to find and the increasing costs for basic needs have made making a living wage difficult. Passing this bill is a morally right thing to do when so many people are struggling with debt, not just from their student loans. The information on PSLF is not accessible. I want to get my bachelor's degree but am still paying off and working on

my AA. The cost of completing my degree is a huge barrier. Passing this bill will make decisions like furthering my education an easy choice.

The PSLF program is notoriously convoluted. So much so, that people who would qualify aren't applying. Providing this help, to assist them in qualifying, will be helpful. The federal program is considering many of the things in this bill. Washington State already has a knowledgeable advocate that can assist people through the PSLF program. The USDOE is working towards automating the certification process. This bill would allow Washington to share information with the federal government for PSLF easily. Since 2019, my office has worked with student loan borrowers. It's estimated that there are over 90,000 public service borrowers in Washington, but only 20,000 have applied for PSLF. Borrowers who have received forgiveness report that it has been life changing.

Though the state pays wages and provides benefits to public service employees, many of them had to take out loans to get their jobs. This bill will help to incentivize people to work and stay in public service.

**Persons Testifying:** PRO: Senator Marko Lias, Prime Sponsor; Jake Heare, Green River AFT Local 2195; Natalie Simmons, Seattle Colleges/AFT Washington; HyeEun Park, AFT Washington; Mahim Lakhani, AFT Pro Staff 6550; Anitra Wise, TFESP Local 461; Sandra Toussaint, AFSCME Council 28/WFSE; Winston Berkman-Breen, Student Borrower Protection Center; Stephanie Sampedro, WSAC-Washington Student Achievement Council; Tessa Bowen; Seamus Petrie, Washington Public Employees Association.

**Persons Signed In To Testify But Not Testifying:** PRO: Bill Lyne, United Faculty of Washington State.