

# FINAL BILL REPORT

## ESSB 5847

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Synopsis as Enacted

**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.).

**Senate Committee on Higher Education & Workforce Development**

**Senate Committee on Ways & Means**

**House Committee on College & Workforce Development**

**House Committee on Appropriations**

**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 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

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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.*

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 repayment, and educate the public about the rights and responsibilities of student loan borrowers.

**Summary:** Providing Information on Public Service Loan Forgiveness to Public Service Employees. The Advocate, with the Washington Student Achievement Council (WSAC), must develop materials designed to increase awareness of the PSLF to public service employees annually. Materials must include, at a 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 to certify employment for the purposes of PSLF by July 1, 2023.

OFM must work with certain state agencies, nonprofits, WSAC, and local government entities to develop a plan for a statewide initiative to increase access and remove barriers to PSLF for all public service employees by December 1, 2024.

State Agencies. As soon as available, state agencies must provide PSLF materials created by the Advocate to all employees annually and new employees within 30 days of employment.

Beginning July 1, 2023, state agencies must certify employment for the purposes of PSLF in accordance with the program established by OFM. If the state agency does not directly certify employment with USDOE, it must annually provide notice of renewal and a copy of the PSLF certification form to:

- all employees; and
- any employee for whom the employer has previously certified employment.

The notice of renewal and completed employer sections of the PSLF form must be sent within six days of separation to an employee who has separated from service or employment. An employee may opt out of the employment certification process at any time.

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, effective immediately. 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.

Institutions of higher education must use the calculation for part-time academic employees and may apply it retroactively to determine whether a part-time academic employee is considered full-time for PSLF.

This bill is null and void unless funded in the budget.

**Votes on Final Passage:**

Senate	37	12	
House	66	32	(House amended)
Senate	33	16	(Senate concurred)

**Effective:** March 30, 2022