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ENGROSSED SUBSTITUTE SENATE BILL 5847

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State of Washington

67th Legislature

2022 Regular Session

**By** Senate Higher Education & Workforce Development (originally sponsored by Senators Llias, Randall, Das, Hasegawa, Keiser, Kuderer, Lovick, Nguyen, Nobles, Saldaña, and C. Wilson)

READ FIRST TIME 02/02/22.

1 AN ACT Relating to providing information to public service  
2 employees about the public service loan forgiveness program; adding a  
3 new section to chapter 28B.77 RCW; adding a new section to chapter  
4 43.41 RCW; adding new sections to chapter 41.04 RCW; creating a new  
5 section; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that our  
8 country faces a student loan debt crisis. Nationally, Americans owe  
9 \$1.73 trillion in student loans. In Washington state, about 767,300  
10 student loan borrowers owe nearly \$27.4 billion of outstanding debt,  
11 more than \$35,700 per borrower on average.

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

1 (3) The legislature further recognizes that the federal  
2 government offers and provides loan forgiveness for individuals who  
3 have worked in a public service job full time and have made  
4 qualifying payments towards their student loans. Unfortunately, the  
5 eligibility criteria to qualify for this program has been complex,  
6 leading to low approval rates for individuals who would otherwise  
7 qualify. By providing more public awareness of this program, the  
8 legislature intends to help alleviate the student loan debt burden of  
9 those who have committed their lives to public service.

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

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

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

15 (c) Have public service employers collaborate on a statewide  
16 initiative to improve access and remove barriers to the public  
17 service loan forgiveness program for all public service employees in  
18 the state; and

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

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

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

29 (a) A standardized letter for public service employers to send to  
30 their employees briefly summarizing the public service loan  
31 forgiveness program, information about what eligible employees are  
32 required to do in order to benefit from the program, and how an  
33 eligible employee may contact their student loan servicer for  
34 additional resources;

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

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

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

8 (3) For purposes of this section, the definitions in this  
9 subsection apply:

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

11 (i) Any governmental entity including state, county, city, or  
12 other local government entity including political subdivisions, such  
13 as office, department, independent agency, school district, public  
14 college or university system, public library system, authority, or  
15 other body including the legislature and the judiciary;

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

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

21 (b) "Public service loan forgiveness program" means the federal  
22 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.  
23 1087e(m) and 34 C.F.R. Sec. 685.219.

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

26 (1) The office shall:

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

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

33 (c) Collaborate with the student achievement council, the  
34 employment security department, the department of retirement systems,  
35 nonprofit entities, local government representatives, and other  
36 public service employers in developing a statewide initiative to  
37 improve access and remove barriers to the public service loan  
38 forgiveness program for all public service employees. The program  
39 established for state agencies in this section and the certification

1 process in section 4 of this act may be considered in the development  
2 of the initiative. A plan for a statewide initiative must be  
3 developed and submitted to the higher education committees of the  
4 legislature by December 1, 2024, in compliance with RCW 43.01.036.

5 (2) For purposes of this section, the definitions in this  
6 subsection apply:

7 (a) "Certifying employment" means either completing the employer  
8 sections of the public service loan forgiveness form or sharing data  
9 directly with the United States department of education that  
10 corresponds to the information required for the public service loan  
11 forgiveness form, as allowed by the United States department of  
12 education.

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

14 (i) Any governmental entity including state, county, city, or  
15 other local government entity including political subdivisions, such  
16 as office, department, independent agency, school district, public  
17 college or university system, public library system, authority, or  
18 other body including the legislature and the judiciary;

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

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

24 (c) "Public service loan forgiveness program" means the federal  
25 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.  
26 1087e(m) and 34 C.F.R. Sec. 685.219.

27 (d) "State agency" or "agency" means departments, offices,  
28 agencies, or institutions of state government, the legislature,  
29 institutions of higher education, school districts, and educational  
30 service districts.

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

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

36 (a) All employees annually;

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

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

4 (a) If a state agency does not directly certify employment with  
5 the United States department of education, the state agency must  
6 annually provide notice of renewal and a copy of the public service  
7 loan forgiveness form with employer information and employment  
8 certification sections of the form already completed reflecting at  
9 least the last 12 months of employment to:

10 (i) An employee who requests a public service loan forgiveness  
11 form;

12 (ii) Any current employee for whom the state agency has  
13 previously certified employment, unless the employee has opted out;  
14 and

15 (iii) An employee who has separated from service or employment,  
16 unless the employee has opted out.

17 (b) A state agency shall not unreasonably delay in certifying  
18 employment.

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

21 (d) Institutions of higher education must use the calculation  
22 established in section 5 of this act to determine whether a part-time  
23 academic employee is considered full time for the public service loan  
24 forgiveness program.

25 (e) A state agency may send the information necessary for public  
26 service loan forgiveness employment certification to the United  
27 States department of education, or its agents, if the United States  
28 department of education permits public service employers to certify  
29 employment for past or present individual employees or groups of  
30 employees directly, notwithstanding other provisions of law.

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

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

36 (4) For purposes of this section, the definitions in this  
37 subsection apply:

38 (a) "Certifying employment" means either completing the employer  
39 sections of the public service loan forgiveness form or sharing data  
40 directly with the United States department of education that

1 corresponds to the information required for the public service loan  
2 forgiveness form.

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

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

6 (i) Any governmental entity including state, county, city, or  
7 other local government entity including political subdivisions, such  
8 as office, department, independent agency, school district, public  
9 college or university system, public library system, authority, or  
10 other body including the legislature and the judiciary;

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

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

16 (d) "Public service loan forgiveness program" means the federal  
17 loan forgiveness program established pursuant to Title 20 U.S.C. Sec.  
18 1087e(m) and 34 C.F.R. Sec. 685.219.

19 (e) "State agency" or "agency" means departments, offices,  
20 agencies, or institutions of state government, the legislature,  
21 institutions of higher education, school districts, and educational  
22 service districts.

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

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

1        NEW SECTION.    **Sec. 6.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of  
3    the state government and its existing public institutions, and takes  
4    effect immediately.

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