

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5847

Chapter 248, Laws of 2022

67th Legislature
2022 Regular Session

PUBLIC SERVICE LOAN FORGIVENESS PROGRAM—PUBLIC SERVICE EMPLOYEES

EFFECTIVE DATE: March 30, 2022

Passed by the Senate March 7, 2022
Yeas 33 Nays 16

DENNY HECK

President of the Senate

Passed by the House March 3, 2022
Yeas 66 Nays 32

LURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 30, 2022 3:06 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5847** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 31, 2022

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5847

AS AMENDED BY THE HOUSE

Passed Legislature - 2022 Regular Session

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 new
5 sections; 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 beginning 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 upon separation from service or employment,
16 unless the employee has opted out. The notice of renewal and
17 completed employer sections of the public service loan forgiveness
18 form provided to a separated employee must be sent within 60 days of
19 separation and are exempted from the annual requirement set forth in
20 subsection (2)(a) of this section.

21 (b) A state agency shall not unreasonably delay in certifying
22 employment.

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

25 (d) Institutions of higher education must use the calculation
26 established in section 5 of this act and may apply it retroactively
27 to determine whether a part-time academic employee is considered full
28 time for the public service loan forgiveness program.

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

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

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

1 (4) For purposes of this section, the definitions in this
2 subsection apply:

3 (a) "Certifying employment" means either completing the employer
4 sections of the public service loan forgiveness form or sharing data
5 directly with the United States department of education that
6 corresponds to the information required for the public service loan
7 forgiveness form.

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

10 (c) "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 (d) "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 (e) "State agency" or "agency" means departments, offices,
25 agencies, or institutions of state government, the legislature,
26 institutions of higher education, school districts, and educational
27 service districts.

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

30 For the purpose of determining whether a part-time academic
31 employee at an institution of higher education is considered full
32 time for certifying employment for the public service loan
33 forgiveness program, duties performed in support of, or in addition
34 to, contractually assigned in-class teaching hours must be included.
35 To calculate this, each hour of in-class teaching time shall be
36 multiplied by 3.35 hours. This section shall not supersede any
37 calculation or adjustment established by a collective bargaining
38 agreement or employer policy for additional work done outside of in-
39 class teaching. An institution of higher education shall not treat

1 any adjusted total hours worked differently from hours worked without
2 an adjustment when determining whether an employee is full time.
3 "Institution of higher education" has the same meaning as
4 "institutions of higher education" in RCW 28B.10.016.

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

9 NEW SECTION. **Sec. 7.** If specific funding for the purposes of
10 this act, referencing this act by bill or chapter number, is not
11 provided by June 30, 2022, in the omnibus appropriations act, this
12 act is null and void.

Passed by the Senate March 7, 2022.
Passed by the House March 3, 2022.
Approved by the Governor March 30, 2022.
Filed in Office of Secretary of State March 31, 2022.

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