

FINAL BILL REPORT

HB 1950

C 2 L 24

Synopsis as Enacted

Brief Description: Concerning the public service loan forgiveness program.

Sponsors: Representatives Slatter, Ybarra, Reed, Jacobsen, Pollet, Leavitt, Ortiz-Self, Ramos, Morgan, Simmons, Ormsby, Callan, Street, Paul, Goodman, Thai, Lekanoff, Reeves and Riccelli; by request of Office of Financial Management.

House Committee on Postsecondary Education & Workforce
Senate Committee on Higher Education & Workforce Development

Background:

Public Service Loan Forgiveness.

Public Service Loan Forgiveness (PSLF) is a federal program that forgives the remaining balance on federal direct loans for public service employees after they have made 120 qualifying monthly payments under a qualifying repayment plan while working full time for an eligible public employer, such as 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. 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 greater.

To receive PSLF, a borrower must submit a form and employment certification to the United States Department of Education (USDOE) at any time prior to making 120 qualifying payments. Employment may only be certified by an authorized official of the employer who has access to a borrower's employment or service records.

State agencies.

State agencies provide PSLF materials to all employees annually and new employees within 30 days of employment. State agencies certify employment for the purposes of PSLF in accordance with the certification program established by the Office of Financial Management (OFM). If a state agency does not directly certify employment with the

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USDOE, it annually provides notice of renewal and a copy of the PSLF certification form to employees who request it and to employees for whom the employer has previously certified employment.

The notice of renewal and completed employer sections of the PSLF form are sent within 60 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. State agencies may not unreasonably delay certifying employment and must seek permission from their employees prior to certifying their employment.

Part-Time Academic Employees.

In determining whether part-time academic employees qualify as full time for certifying employment for PSLF, duties performed in support of, or in addition to, contractually assigned in-class teaching hours are included in the calculation by multiplying each hour of in-class teaching by 3.35 hours. This does not supersede any calculation or adjustment established by a collective bargaining agreement or employer policy for additional work done outside of in-class teaching.

Public Service Loan Forgiveness Statewide Access Initiative.

The OFM is required to work with the Student Achievement Council, the Employment Security Department, the Department of Retirement Systems, nonprofit entities, local government representatives, and other public service employers 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.

Summary:

State Agencies.

State agencies must provide PSLF materials to former employees upon separation. If a state agency does not directly certify employment with the USDOE, it must certify employment for any current or former employee who requests employment certification by providing a partially completed manual public student loan forgiveness form to the appropriate agency contact or by submitting a request to the appropriate agency contact through the federal online PSLF Help Tool. The state agency must also send a reminder notice to submit a PSLF employment certification request to employees for whom the state agency has previously certified employment one year after the last date employment was certified for that employee.

Part-Time Academic Employees.

In determining whether a part-time employee is considered full time for certifying employment for PSLF, duties performed in support of, or in addition to, contractually assigned in-class teaching hours are included in the calculation by multiplying each hour of in-class teaching by at least 3.35 hours (instead of exactly 3.35 hours). It is clarified that certifying employment for PSLF is the only purpose for which this calculation may

supersede any calculation or adjustment established by a collective bargaining agreement or employer policy for additional work done outside of in-class teaching.

Public Service Loan Forgiveness Statewide Access Initiative.

The Office of the Superintendent of Public Instruction is added to the group required 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.

Votes on Final Passage:

House	93	0
Senate	48	0

Effective: June 6, 2024