

SENATE BILL REPORT

SB 6035

As of January 12, 2024

Title: An act relating to the public service loan forgiveness program.

Brief Description: Concerning the public service loan forgiveness program.

Sponsors: Senators Liias, Holy, Hasegawa, Nguyen, Nobles and Valdez; by request of Office of Financial Management.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/12/24.

Brief Summary of Bill

- Modifies the state agency requirements to providing Public Service Loan Forgiveness information and certifying employment.
- Specifies that the multiplier for calculating part-time academic employee eligibility must be at least 3.35 hours per hour of in-class teaching.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Alicia Kinne-Clawson (786-7407)

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.

Washington State Program to Provide Information on Public Service Loan Forgiveness to Public Service Employees. In 2022 the Legislature passed ESSB 5847 which required the Office of Financial Management (OFM) to develop a program for state agencies to certify

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employment for the purposes of PSLF by July 1, 2023. OFM must 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 to all employees annually and new employees within 30 days of employment. State agencies are required to certify employment for the purposes of PSLF. If the state agency does not directly certify employment with the U.S. Department of Education, 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 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.

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.

Summary of Bill: State Agencies. In addition to all employees and new hires, state agencies must provide the PSLF materials to separated employees upon separation from the state agency. State agencies are no longer required to annually provide notice of renewal and a copy of the loan forgiveness form. Instead, state agencies 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 through the federal PSLF online help tool. A state agency must send notice to submit a PSLF employment certification to any current employee that has previously had employment certified by the agency, one year after the last certification.

Part-Time Academic Employees. Each hour of additional duties outside of contractually assigned in-class teaching hours counted by employers for part-time academic employees to qualify as full time for PSLF must be multiplied by at least 3.35 hours. This does not supersede any calculation or adjustment established by collective bargaining for additional work done outside of in-class teaching for any purposes other than certifying employment for PSLF.

Public Service Loan Forgiveness Statewide Access Initiative. The Office of the Superintendent of Public Instruction is added to the working group that includes 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 statewide initiative to increase access to PSLF.

Appropriation: None.

Fiscal Note: Requested on January 10, 2024.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This Legislature passed a bill to promote public service loan forgiveness. In my own journey I took advantage of this program. There are a lot of people in my generation where student loan debt is a barrier to major life milestones. As the Office of Financial Management has done the work to get the word out to state employees about this program, they have identified some opportunities for improvement. This makes us a more attractive state when we can provide access to these types of programs to public servants. Nearly half of educators have taken out loans. This bill helps employees and employers with recruitment and retention. Loan forgiveness can have an outsized effect for those teaching our future workforce. This puts Washington in line with federal loan forgiveness standards. There are about 1400 faculty members at UW who are part time and paid by the credit hour and not hourly. Adding the flexibility here makes a lot of sense. This new process allows us to provide accurate information to employees. We support smoothing the pathway to access to PSLF.

Persons Testifying: PRO: Senator Marko Liias, Prime Sponsor; Simone Boe, Washington Education Association; Jacob Vigdor, University of Washington Faculty; Jessica Manfredi, Office of the Student Loan Advocate; Erin Rains, Department of Children, Youth & Families; Renee Fullerton, Workforce Training & Education Coordinating Board; Kaity Cazares, Office of Financial Management; Nick Juno, UW Graduate & Professional Student Senate.

Persons Signed In To Testify But Not Testifying: No one.