Z-0488.1

HOUSE BILL 1950

State of Washington 68th Legislature 2024 Regular Session

By 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

Prefiled 12/14/23. Read first time 01/08/24. Referred to Committee on Postsecondary Education & Workforce.

1 AN ACT Relating to the public service loan forgiveness program; 2 and amending RCW 41.04.045, 41.04.055, and 43.41.425.

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

4 Sec. 1. RCW 41.04.045 and 2022 c 248 s 4 are each amended to 5 read as follows:

6 (1) As soon as available, a state agency shall provide the 7 materials described in RCW 28B.77.009 in written or electronic form 8 to:

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(a) All employees annually;

10 (b) Newly hired employees within 30 days of the employee's first 11 day of employment<u>; and</u>

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(c) Separated employees upon separation.

(2) A state agency must certify employment for the purposes of
 the public service loan forgiveness program in accordance with the
 program established in RCW 43.41.425 beginning July 1, 2023.

(a) If a state agency does not directly certify employment with the United States department of education, the state agency must ((annually provide notice of renewal and a copy of the public service loan forgiveness form with employer information and employment certification sections of the form already completed reflecting at least the last 12 months of employment to: 1 (i) An employee who requests a public service loan forgiveness
2 form;

3 (ii) Any current employee for whom the state agency has 4 previously certified employment, unless the employee has opted out; 5 and

(iii) An employee upon separation from service or employment, 6 unless the employee has opted out. The notice of renewal and 7 completed employer sections of the public service loan forgiveness 8 form provided to a separated employee must be sent within 60 days of 9 separation and are exempted from the annual requirement set forth in 10 11 subsection (2) (a) of this section)) certify employment for any 12 current or former employee who requests employment certification by providing a partially completed manual public student loan 13 forgiveness form to the appropriate agency contact or by submitting a 14 15 request to the appropriate agency contact through the federal public 16 service loan forgiveness online help tool.

17 (b) <u>A state agency must also send a notice to submit a public</u> 18 <u>service loan forgiveness employment certification request to any</u> 19 <u>current employee for whom the state agency has previously certified</u> 20 <u>employment, one year after the last date employment was certified for</u> 21 <u>that employee.</u>

22 <u>(c)</u> A state agency shall not unreasonably delay in certifying 23 employment.

24 (((c))) <u>(d)</u> A state agency must seek permission from its 25 employees prior to certifying their employment.

26 (((d))) <u>(e)</u> Institutions of higher education must use the 27 calculation established in RCW 41.04.055 and may apply it 28 retroactively to determine whether a part-time academic employee is 29 considered full time for the public service loan forgiveness program.

30 (((e))) (f) A state agency may send the information necessary for 31 public service loan forgiveness employment certification to the 32 United States department of education, or its agents, if the United 33 States department of education permits public service employers to 34 certify employment for past or present individual employees or groups 35 of employees directly, notwithstanding other provisions of law.

36 (((f))) <u>(g)</u> The office of financial management is authorized to 37 adopt rules for the purpose of this section.

(3) An employee of a state agency may opt out of the employment
 certification process established in RCW 43.41.425 at any 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, completing the 5 employer information requested through the federal public service 6 loan forgiveness online help tool, or sharing data directly with the 7 United States department of education that corresponds to the 8 information required for the public service loan forgiveness form.

9 (b) "Full time" has the same meaning as set forth in 34 C.F.R. 10 Sec. 685.219.

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

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

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

20 (iii) Any other entities identified as a public service job in 21 Title 20 U.S.C. Sec. 1087e(m).

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

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

29 Sec. 2. RCW 41.04.055 and 2022 c 248 s 5 are each amended to 30 read as follows:

31 For the purpose of determining whether a part-time academic 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)) must 36 be multiplied by <u>at least</u> 3.35 hours. This section shall not 37 38 supersede any calculation or adjustment established by a collective 39 bargaining agreement or employer policy for additional work done

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outside of in-class teaching <u>for any purposes other than certifying</u> <u>employment for the public service loan forgiveness program</u>. An institution of higher education shall not treat any adjusted total hours worked differently from hours worked without an adjustment when determining whether an employee is full time. "Institution of higher education" has the same meaning as "institutions of higher education" in RCW 28B.10.016.

8 **Sec. 3.** RCW 43.41.425 and 2023 c 470 s 3016 are each amended to 9 read as follows:

10 (1) The office shall:

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

(b) Assist the student loan advocate in creating and distributing materials designed to increase awareness of the public service loan forgiveness program set forth in RCW 28B.77.009.

(c) Collaborate with the student achievement council, the 17 18 employment security department, the department of retirement systems, the office of the superintendent of public instruction, nonprofit 19 entities, local government representatives, and other public service 20 21 employers in developing a statewide initiative to improve access and 22 remove barriers to the public service loan forgiveness program for all public service employees. The program established for state 23 24 agencies in this section and the certification process in RCW 41.04.045 may be considered in the development of the initiative. A 25 plan for a statewide initiative must be developed and submitted to 26 27 the higher education committees of the legislature by December 1, 28 2024, in compliance with RCW 43.01.036.

29 (2) For purposes of this section, the definitions in this 30 subsection apply:

31 (a) "Certifying employment" means either completing the employer 32 sections of the public service loan forgiveness form or sharing data 33 directly with the United States department of education that 34 corresponds to the information required for the public service loan 35 forgiveness form, as allowed by the United States department of 36 education.

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

38 (i) Any governmental entity including state, county, city, or 39 other local government entity including political subdivisions, such

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1 as office, department, independent agency, school district, public 2 college or university system, public library system, authority, or 3 other body including the legislature and the judiciary;

4 (ii) Any employer that has received designation as a tax-exempt 5 organization pursuant to Title 26 U.S.C. Sec. 501(c)(3) of the 6 federal internal revenue code of 1986, as amended;

7 (iii) Any other entities identified as a public service job in 8 Title 20 U.S.C. Sec. 1087e(m).

9 (c) "Public service loan forgiveness program" means the federal 10 loan forgiveness program established pursuant to Title 20 U.S.C. Sec. 11 1087e(m) and 34 C.F.R. Sec. 685.219.

12 (d) "State agency" or "agency" means departments, offices, 13 agencies, or institutions of state government, the legislature, 14 institutions of higher education, school districts, and educational 15 service districts.

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