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**ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1504**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Chopp, Simmons, Berry, Davis, Valdez, Wylie, J. Johnson, Ryu, Tharinger, Taylor, Goodman, Bergquist, Ramel, Peterson, Senn, Dolan, Ormsby, Duerr, Macri, Kloba, Callan, Morgan, Stonier, Pollet, Riccelli, and Thai)

AN ACT Relating to modifying the workforce education investment act to invest in new and existing behavioral health workforce programs; amending RCW 28B.145.030 and 43.79.195; adding a new section to chapter 28B.115 RCW; adding a new section to chapter 71.24 RCW; and creating new sections.

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

NEW SECTION. **Sec.**  The legislature finds that there is a compelling and urgent need for coordinated investments in the state's behavioral health workforce. The demand for a qualified behavioral health workforce continues to grow as the availability of services throughout the state does not meet the need. According to the workforce training and education coordinating board's "behavioral health workforce: Barriers and solutions report," Washington ranks 31 out of the 50 states when comparing prevalence of mental illness to access to care. In addition, behavioral health needs have increased since the COVID-19 pandemic began and the need is expected to rise as economic and social hardships continue. Despite increased demand, the legislature finds that there continues to be difficulties in recruiting and retaining professionals who are adequately trained to meet behavioral health needs. Many of these professions require years of training, ranging from some postsecondary education to medical degrees. In addition, the legislature finds that there is significant variation in the geographic distribution of behavioral health providers across the state. Rural and underserved areas face disparities in access to care. High student loan debt loads, better pay, and lighter caseloads can drive behavioral health professionals into private practice or hospital-based settings rather than community-based settings which typically have a higher percentage of medicaid-funded services and higher caseloads.

The legislature finds that there are professions and areas within the behavioral health workforce that are most in need of state investment. The legislature intends to focus coordinated efforts and investments on these areas of greatest need including, but not limited to:

(1) Behavioral health apprenticeships;

(2) Children's mental health professionals;

(3) Peer counselors;

(4) Crisis hotline agents;

(5) Behavioral health residencies for professionals such as psychiatrists, advanced registered nurse practitioners, physician assistants, and pharmacists;

(6) Substance use disorder professionals;

(7) Community mental health workers;

(8) Clinical social workers;

(9) Licensed mental health counselors;

(10) Licensed marriage and family therapists; and

(11) Clinical psychologists.

The legislature also recognizes existing programs that have helped recruit, retain, and grow the behavioral health workforce, such as the Washington health corps, which provides loan repayment to behavioral health professionals, and the Washington state opportunity scholarship, which utilizes a public-private match to fund scholarships for students pursing health fields. Therefore, the legislature intends to increase the behavioral health workforce by expanding on successful existing programs, establishing new ones, and by focusing the efforts of the workforce education investment act.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.115 RCW to read as follows:

The office and the department of health shall prioritize a portion of any nonfederal balances in the health professional loan repayment and scholarship program fund for conditional loan repayment contracts for applications that reflect demographically underrepresented populations. Loan repayment contracts may include services provided in the community or at a designated site.

NEW SECTION. **Sec.**  A new section is added to chapter 71.24 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the authority shall establish a behavioral health workforce pilot program and training support grants for community mental health providers including, but not limited to, clinical social workers, licensed mental health counselors, licensed marriage and family therapists, clinical psychologists, and substance abuse treatment providers. The authority must implement these services in partnership with and through the regional accountable communities of health or the University of Washington behavioral health institute.

(1)(a) The intent of the pilot program is to provide incentive pay for individuals serving as clinical supervisors within community behavioral health agencies. The desired outcomes of the pilot program include increased internships and entry opportunities for new clinicians through recruitment and retention of supervisors. The authority must ensure the pilot program covers three sites serving primarily medicaid clients in both eastern and western Washington. One of the sites must specialize in the delivery of behavioral health services for medicaid enrolled children. Of the remaining two sites, one must offer substance use disorder treatment services.

(b) The authority must provide a report to the office of financial management and the appropriate committees of the legislature by September 30, 2023, on the outcomes of the pilot program. The report must include:

(i) A description of the mechanism for incentivizing supervisor pay and other strategies used at each of the sites;

(ii) The number of supervisors that received bonus pay at each site;

(iii) The number of students or prelicensure clinicians that received supervision at each site;

(iv) The number of supervision hours provided at each site;

(v) Initial reporting on the number of students or prelicensure clinicians who received supervision through the pilot programs that moved into a permanent position with the pilot program or another community behavioral health program in Washington state at the end of their supervision;

(vi) Identification of options for establishing enhancement of supervisor pay through managed care organization payments to behavioral health providers; and

(vii) Recommendations of individual site policy and practice implications for statewide implementation.

(2) The authority shall establish a grant program to mental health and substance use disorder providers that provides flexible funding for training and mentoring of clinicians serving children and youth. The authority must consult with stakeholders, including but not limited to behavioral health experts in services for children and youth, providers, and consumers, to develop guidelines for how the funding could be used, with a focus on evidence-based and promising practices, continuing education requirements, and quality monitoring infrastructure.

**Sec.**  RCW 28B.145.030 and 2019 c 406 s 65 are each amended to read as follows:

(1) The program administrator shall provide administrative support to execute the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage the specified accounts created in (b) of this subsection, into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into any of the specified accounts created in this subsection (2)(b) upon the direction of the donor and in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed for baccalaureate programs beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every October 1st thereafter;

(ii) The "student support pathways account," whose principal may be invaded, and from which scholarships may be disbursed for professional-technical certificate or degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iii) The "advanced degrees pathways account," whose principal may be invaded, and from which scholarships may be disbursed for eligible advanced degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iv) The "endowment account," from which scholarship moneys may be disbursed for baccalaureate programs from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account; and

(B) The state appropriations for the Washington college grant program under chapter 28B.92 RCW meet or exceed state appropriations for the state need grant made in the 2011-2013 biennium, adjusted for inflation, and eligibility for Washington college grant recipients is at least seventy percent of state median family income;

(v) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the scholarship account, after which time the private donors may designate whether their contributions must be deposited to the scholarship account, the student support pathways account, the advanced degrees pathways account, or the endowment account. The board and the program administrator must work to maximize private sector contributions to these accounts to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the accounts in the case of undesignated grants and contributions, taking into account the need for a long-term funding mechanism and the short-term needs of families and students in Washington. The first five million dollars in state match, as provided in RCW 28B.145.040, shall be deposited into the scholarship account and thereafter the state match shall be deposited into the specified accounts created in this subsection (2)(b) in equal proportion to the private funds deposited in each account, except that no more than ((~~one million dollars~~)) $5,000,000 in state match shall be deposited into the advanced degrees pathways account in a single fiscal biennium; and

(vi) Once moneys in the opportunity scholarship match transfer account are subject to an agreement under RCW 28B.145.050(5) and are deposited in the scholarship account, the student support pathways account, the advanced degrees pathways account, or the endowment account under this section, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the scholarship account, the student support pathways account, the advanced degrees pathways account, and the endowment account are not considered state money, common cash, or revenue to the state;

(c) Provide proof of receipt of grants and contributions from private sources to the council, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship account, the student support pathways account, the advanced degrees pathways account, or the endowment account;

(d) In consultation with the council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs and eligible advanced degree programs identified by the board;

(e) Determine the dollar difference between tuition fees charged by institutions of higher education in the 2008-09 academic year and the academic year for which an opportunity scholarship is being distributed;

(f) Develop and implement an application, selection, and notification process for awarding opportunity scholarships;

(g) Ensure that if the private source is from a federally recognized Indian tribe, municipality, or county, an amount at least equal to the value of the private source plus the state match is awarded to participants within that federally recognized Indian tribe, municipality, or county according to the federally recognized Indian tribe's, municipality's, or county's program rules;

(h) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or to encourage participation in professional-technical certificate programs, professional-technical degree programs, baccalaureate degree programs, or eligible advanced degree programs identified by the board;

(i) Distribute scholarship funds to selected participants. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed as long as the participant annually submits documentation of filing both a free application for federal student aid (FAFSA) and for available federal education tax credits including, but not limited to, the American opportunity tax credit, or if ineligible to apply for federal student aid, the participant annually submits documentation of filing a state financial aid application as approved by the office of student financial assistance; and until the participant withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the participant's program, whichever occurs first;

(j) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility; and

(k) For participants enrolled in an eligible advanced degree program, document each participant's employment following graduation.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the board in developing and implementing an application, selection, and notification process for making opportunity expansion awards; and

(b) Solicit and accept grants and contributions from private sources for opportunity expansion awards.

**Sec.**  RCW 43.79.195 and 2020 c 2 s 2 are each amended to read as follows:

(1) The workforce education investment account is created in the state treasury. All revenues from the workforce investment surcharge created in RCW 82.04.299 and those revenues as specified under RCW 82.04.290(2)(c) must be deposited directly into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for higher education programs, higher education operations, higher education compensation, ((~~and~~)) state-funded student aid programs, and workforce development. ((~~For the 2019-2021 biennium, expenditures from the account may be used for kindergarten through twelfth grade if used for career connected learning as provided for in chapter 406, Laws of 2019.~~))

(2) Expenditures from the workforce education investment account must be used to supplement, not supplant, other federal, state, and local funding for higher education.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2021, in the omnibus appropriations act, this act is null and void.

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