

2SSB 5182 - S AMD 411
By Senator White

ADOPTED 05/03/2011

1 Beginning on page 68, line 4, strike all of section 181 and insert
2 the following:

3 "Sec. 181. RCW 28B.102.060 and 2011 c 26 s 4 are each amended to
4 read as follows:

5 (1) Participants in the conditional scholarship program incur an
6 obligation to repay the conditional scholarship, with interest and an
7 equalization fee, unless they teach for two years in an approved
8 education program for each year of scholarship received, under rules
9 adopted by the ((board)) office. Participants who teach in a
10 designated teacher shortage area shall have one year of loan canceled
11 for each year they teach in the shortage area.

12 (2) The interest rate shall be determined by the ((board)) office.
13 Participants who fail to complete the teaching service shall incur an
14 equalization fee based on the remaining unforgiven balance of the loan.
15 The equalization fee shall be added to the remaining balance and repaid
16 by the participant.

17 (3) The minimum payment shall be set by the ((board)) office. The
18 maximum period for repayment shall be ten years, with payments of
19 principal and interest commencing six months from the date the
20 participant completes or discontinues the course of study. The
21 interest rate shall be determined by the ((board)) office and be
22 established by rule. Provisions for deferral of payment shall be
23 determined by the ((board)) office. The ((board)) office shall
24 establish an appeal process by rule.

25 (4) The entire principal and interest of each payment shall be
26 forgiven for each payment period in which the participant teaches in an
27 approved education program until the entire repayment obligation is
28 satisfied. Should the participant cease to teach in an approved
29 education program in this state before the participant's repayment
30 obligation is completed, payments on the unsatisfied portion of the

1 principal and interest shall begin the next payment period and continue
2 until the remainder of the participant's repayment obligation is
3 satisfied.

4 (5) The ((~~board~~)) office is responsible for collection of
5 repayments made under this section and shall exercise due diligence in
6 such collection, maintaining all necessary records to insure that
7 maximum repayments are made. Collection and servicing of repayments
8 under this section shall be pursued using the full extent of the law,
9 including wage garnishment if necessary. The ((~~board~~)) office is
10 responsible to forgive all or parts of such repayments under the
11 criteria established in this section and shall maintain all necessary
12 records of forgiven payments.

13 (6) Receipts from the payment of principal or interest or any other
14 subsidies to which the ((~~board~~)) office as administrator is entitled,
15 which are paid by or on behalf of participants under this section,
16 shall be deposited in the future teachers conditional scholarship
17 account and shall be used to cover the costs of granting the
18 conditional scholarships, maintaining necessary records, and making
19 collections under subsection (5) of this section. The ((~~board~~)) office
20 shall maintain accurate records of these costs, and all receipts beyond
21 those necessary to pay such costs shall be used to grant conditional
22 scholarships to eligible students.

23 (7) The ((~~board~~)) office shall adopt rules to define the terms of
24 repayment, including applicable interest rates, fees, and deferments."

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25 Beginning on page 79, line 15, strike all of section 203 and insert
26 the following:

27 "**Sec. 203.** RCW 28B.115.020 and 2011 c 26 s 1 are each amended to
28 read as follows:

1 Unless the context clearly requires otherwise, the definitions in
2 this section apply throughout this chapter.

3 (1) (~~("Board")~~) "Office" means the (~~(higher education coordinating~~
4 ~~board)~~) office of student financial assistance.

5 (2) "Department" means the state department of health.

6 (3) "Eligible education and training programs" means education and
7 training programs approved by the department that lead to eligibility
8 for a credential as a credentialed health care professional.

9 (4) "Eligible expenses" means reasonable expenses associated with
10 the costs of acquiring an education such as tuition, books, equipment,
11 fees, room and board, and other expenses determined by the (~~board~~)
12 office.

13 (5) "Eligible student" means a student who has been accepted into
14 an eligible education or training program and has a declared intention
15 to serve in a health professional shortage area upon completion of the
16 education or training program.

17 (6) "Forgiven" or "to forgive" or "forgiveness" means to render
18 health care services in a health professional shortage area in the
19 state of Washington in lieu of monetary repayment.

20 (7) "Health professional shortage areas" means those areas where
21 credentialed health care professionals are in short supply as a result
22 of geographic maldistribution or as the result of a short supply of
23 credentialed health care professionals in specialty health care areas
24 and where vacancies exist in serious numbers that jeopardize patient
25 care and pose a threat to the public health and safety. The department
26 shall determine health professional shortage areas as provided for in
27 RCW 28B.115.070. In making health professional shortage area
28 designations in the state the department may be guided by applicable
29 federal standards for "health manpower shortage areas," and "medically
30 underserved areas," and "medically underserved populations."

31 (8) "Credentialed health care profession" means a health care
32 profession regulated by a disciplining authority in the state of
33 Washington under RCW 18.130.040 or by the state board of pharmacy under
34 chapter 18.64 RCW and designated by the department in RCW 28B.115.070
35 as a profession having shortages of credentialed health care
36 professionals in the state.

37 (9) "Credentialed health care professional" means a person

1 regulated by a disciplining authority in the state of Washington to
2 practice a health care profession under RCW 18.130.040 or by the state
3 board of pharmacy under chapter 18.64 RCW.

4 (10) "Loan repayment" means a loan that is paid in full or in part
5 if the participant renders health care services in a health
6 professional shortage area as defined by the department.

7 (11) "Nonshortage rural area" means a nonurban area of the state of
8 Washington that has not been designated as a rural physician shortage
9 area. The department shall identify the nonshortage rural areas of the
10 state.

11 (12) "Participant" means a credentialed health care professional
12 who has received a loan repayment award and has commenced practice as
13 a credentialed health care provider in a designated health professional
14 shortage area or an eligible student who has received a scholarship
15 under this program.

16 (13) "Program" means the health professional loan repayment and
17 scholarship program.

18 (14) "Required service obligation" means an obligation by the
19 participant to provide health care services in a health professional
20 shortage area for a period to be established as provided for in this
21 chapter.

22 (15) "Rural physician shortage area" means rural geographic areas
23 where primary care physicians are in short supply as a result of
24 geographic maldistributions and where their limited numbers jeopardize
25 patient care and pose a threat to public health and safety. The
26 department shall designate rural physician shortage areas.

27 (16) "Satisfied" means paid-in-full.

28 (17) "Scholarship" means a loan that is forgiven in whole or in
29 part if the recipient renders health care services in a health
30 professional shortage area.

31 (18) "Sponsoring community" means a rural hospital or hospitals as
32 authorized in chapter 70.41 RCW, a rural health care facility or
33 facilities as authorized in chapter 70.175 RCW, or a city or county
34 government or governments."

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1 Beginning on page 84, line 31, strike all of sections 209 and 210
2 and insert the following:

3 "Sec. 209. RCW 28B.115.110 and 2011 c 26 s 2 are each amended to
4 read as follows:

5 Participants in the health professional loan repayment and
6 scholarship program who are awarded loan repayments shall receive
7 payment from the program for the purpose of repaying educational loans
8 secured while attending a program of health professional training which
9 led to a credential as a credentialed health professional in the state
10 of Washington.

11 (1) Participants shall agree to meet the required service
12 obligation in a designated health professional shortage area.

13 (2) Repayment shall be limited to eligible educational and living
14 expenses as determined by the ((board)) office and shall include
15 principal and interest.

16 (3) Loans from both government and private sources may be repaid by
17 the program. Participants shall agree to allow the ((board)) office
18 access to loan records and to acquire information from lenders
19 necessary to verify eligibility and to determine payments. Loans may
20 not be renegotiated with lenders to accelerate repayment.

21 (4) Repayment of loans established pursuant to this program shall
22 begin no later than ninety days after the individual has become a
23 participant. Payments shall be made quarterly, or more frequently if
24 deemed appropriate by the ((board)) office, to the participant until
25 the loan is repaid or the participant becomes ineligible due to
26 discontinued service in a health professional shortage area or after
27 the required service obligation when eligibility discontinues,
28 whichever comes first.

29 (5) Should the participant discontinue service in a health
30 professional shortage area, payments against the loans of the
31 participants shall cease to be effective on the date that the
32 participant discontinues service.

1 (6) Except for circumstances beyond their control, participants who
2 serve less than the required service obligation shall be obligated to
3 repay to the program an amount equal to twice the total amount paid by
4 the program on their behalf. This amount is due and payable
5 immediately. Participants who are unable to pay the full amount due
6 shall enter into a payment arrangement with the ((board)) office,
7 including an arrangement for payment of interest. The maximum period
8 for repayment is ten years. The ((board)) office shall determine the
9 applicability of this subsection. The interest rate shall be
10 determined by the ((board)) office and be established by rule.

11 (7) The ((board)) office is responsible for the collection of
12 payments made on behalf of participants from the participants who
13 discontinue service before completion of the required service
14 obligation. The ((board)) office shall exercise due diligence in such
15 collection, maintaining all necessary records to ensure that the
16 maximum amount of payment made on behalf of the participant is
17 recovered. Collection under this section shall be pursued using the
18 full extent of the law, including wage garnishment if necessary.

19 (8) The ((board)) office shall not be held responsible for any
20 outstanding payments on principal and interest to any lenders once a
21 participant's eligibility expires.

22 (9) The ((board)) office shall temporarily or, in special
23 circumstances, permanently defer the requirements of this section for
24 eligible students as defined in RCW 28B.10.017.

25 (10) The ((board)) office shall establish an appeal process by
26 rule.

27 **Sec. 210.** RCW 28B.115.120 and 2011 c 26 s 3 are each amended to read
28 as follows:

29 (1) Participants in the health professional loan repayment and
30 scholarship program who are awarded scholarships incur an obligation to
31 repay the scholarship, with penalty and interest, unless they serve the
32 required service obligation in a health professional shortage area in
33 the state of Washington.

34 (2) The interest rate shall be determined by the ((board)) office
35 and established by rule.

36 (3) The period for repayment shall coincide with the required
37 service obligation, with payments of principal and interest commencing

1 no later than six months from the date the participant completes or
2 discontinues the course of study or completes or discontinues the
3 required postgraduate training. Provisions for deferral of payment
4 shall be determined by the ((~~board~~)) office.

5 (4) The entire principal and interest of each payment shall be
6 forgiven for each payment period in which the participant serves in a
7 health professional shortage area until the entire repayment obligation
8 is satisfied or the borrower ceases to so serve. Should the
9 participant cease to serve in a health professional shortage area of
10 this state before the participant's repayment obligation is completed,
11 payment of the unsatisfied portion of the principal and interest is due
12 and payable immediately.

13 (5) In addition to the amount determined in subsection (4) of this
14 section, except for circumstances beyond their control, participants
15 who serve less than the required service obligation shall be obliged to
16 pay a penalty of an amount equal to twice the unsatisfied portion of
17 the principal.

18 (6) Participants who are unable to pay the full amount due shall
19 enter into a payment arrangement with the ((~~board~~)) office for
20 repayment including interest. The maximum period for repayment is ten
21 years.

22 (7) The ((~~board~~)) office is responsible for collection of
23 repayments made under this section and shall exercise due diligence in
24 such collection, maintaining all necessary records to ensure that
25 maximum repayments are made. Collection and servicing of repayments
26 under this section shall be pursued using the full extent of the law,
27 including wage garnishment if necessary, and shall be performed by
28 entities approved for such servicing by the Washington student loan
29 guaranty association or its successor agency. The ((~~board~~)) office is
30 responsible to forgive all or parts of such repayments under the
31 criteria established in this section and shall maintain all necessary
32 records of forgiven payments.

33 (8) Receipts from the payment of principal or interest or any other
34 subsidies to which the ((~~board~~)) office as administrator is entitled,
35 which are paid by or on behalf of participants under this section,
36 shall be deposited with the ((~~board~~)) office and shall be used to cover
37 the costs of granting the scholarships, maintaining necessary records,
38 and making collections under subsection (7) of this section. The

1 ((~~board~~)) office shall maintain accurate records of these costs, and
2 all receipts beyond those necessary to pay such costs shall be used to
3 grant scholarships to eligible students.

4 (9) Sponsoring communities who financially contribute to the
5 eligible financial expenses of eligible medical students may enter into
6 agreements with the student to require repayment should the student not
7 serve the required service obligation in the community as a primary
8 care physician. The ((~~board~~)) office may develop criteria for the
9 content of such agreements with respect to reasonable provisions and
10 obligations between communities and eligible students.

11 (10) The ((~~board~~)) office may make exceptions to the conditions for
12 participation and repayment obligations should circumstances beyond the
13 control of individual participants warrant such exceptions. The
14 ((~~board~~)) office shall establish an appeal process by rule."

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15 On page 108, beginning on line 9, strike all of section 239 and
16 insert the following:

17 "**Sec. 239.** RCW 28B.133.030 and 2011 c 60 s 12 are each amended to
18 read as follows:

19 (1) The students with dependents grant account is created in the
20 custody of the state treasurer. All receipts from the program shall be
21 deposited into the account. Only the ((~~higher education coordinating~~
22 ~~board~~)) office of student financial assistance, or its designee, may
23 authorize expenditures from the account. Disbursements from the
24 account are exempt from appropriations and the allotment procedures
25 under chapter 43.88 RCW.

26 (2) The ((~~board~~)) office may solicit and receive gifts, grants, or
27 endowments from private sources that are made from time to time, in
28 trust or otherwise, for the use and benefit of the purposes of the
29 educational assistance grant program. The ((~~executive~~)) director, or

1 the ((~~executive~~)) director's designee, may spend gifts, grants, or
2 endowments or income from the private sources according to their terms
3 unless the receipt of the gifts, grants, or endowments violates RCW
4 42.17A.560.

5 (3) The earnings on the account shall be used solely for the
6 purposes in RCW 28B.133.010, except when the terms of a conditional
7 gift of private moneys in the account require that a portion of
8 earnings on such moneys be reinvested in the account."

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9 On page 121, line 20, after "3;" insert "and"

10 On page 121, beginning on line 22, after "2" strike all material
11 through "19" on line 24

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ADOPTED 05/03/2011

12 Beginning on page 175, line 6, strike all of section 402 and insert
13 the following:

14 "**Sec. 402.** RCW 35.104.040 and 2011 c 155 s 1 are each amended to
15 read as follows:

16 (1) The ((~~higher~~)) workforce training and education coordinating
17 board may approve applications submitted by local governments for an
18 area's designation as a health sciences and services authority under
19 this chapter. The director must determine the division to review
20 applications submitted by local governments under this chapter. The

1 application for designation must be in the form and manner and contain
2 such information as the ((higher)) workforce training and education
3 coordinating board may prescribe, provided the application:

4 (a) Contains sufficient information to enable the director to
5 determine the viability of the proposal;

6 (b) Demonstrates that an ordinance or resolution has been passed by
7 the legislative authority of a local government that delineates the
8 boundaries of an area that may be designated an authority;

9 (c) Is submitted on behalf of the local government, or, if that
10 office does not exist, by the legislative body of the local government;

11 (d) Demonstrates that the public funds directed to programs or
12 facilities in the authority will leverage private sector resources and
13 contributions to activities to be performed;

14 (e) Provides a plan or plans for the development of the authority
15 as an entity to advance as a cluster for health sciences education,
16 health sciences research, biotechnology development, biotechnology
17 product commercialization, and/or health care services; and

18 (f) Demonstrates that the state has previously provided funds to
19 health sciences and services programs or facilities in the applicant
20 city, town, or county.

21 (2) The director must determine the division to develop criteria to
22 evaluate the application. The criteria must include:

23 (a) The presence of infrastructure capable of spurring development
24 of the area as a center of health sciences and services;

25 (b) The presence of higher education facilities where undergraduate
26 or graduate coursework or research is conducted; and

27 (c) The presence of facilities in which health services are
28 provided.

29 (3) There may be no more than two authorities statewide.

30 (4) An authority may only be created in a county with a population
31 of less than one million persons and located east of the crest of the
32 Cascade mountains.

33 (5) The director may reject or approve an application. When
34 denying an application, the director must specify the application's
35 deficiencies. The decision regarding such designation as it relates to
36 a specific local government is final; however, a rejected application
37 may be resubmitted.

1 (6) Applications are due by December 31, 2010, and must be
2 processed within sixty days of submission.

3 (7) The director may, at his or her discretion, amend the
4 boundaries of an authority upon the request of the local government.

5 (8) The ((higher)) workforce training and education coordinating
6 board may adopt any rules necessary to implement this chapter.

7 (9) The ((higher)) workforce training and education coordinating
8 board must develop evaluation criteria that enables the local
9 governments to measure the effectiveness of the program."

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10 Beginning on page 226, line 7, strike all of section 543 and insert
11 the following:

12 "**Sec. 543.** RCW 43.215.090 and 2011 c 177 s 2 are each amended to
13 read as follows:

14 (1) The early learning advisory council is established to advise
15 the department on statewide early learning issues that would build a
16 comprehensive system of quality early learning programs and services
17 for Washington's children and families by assessing needs and the
18 availability of services, aligning resources, developing plans for data
19 collection and professional development of early childhood educators,
20 and establishing key performance measures.

21 (2) The council shall work in conjunction with the department to
22 develop a statewide early learning plan that guides the department in
23 promoting alignment of private and public sector actions, objectives,
24 and resources, and ensuring school readiness.

25 (3) The council shall include diverse, statewide representation
26 from public, nonprofit, and for-profit entities. Its membership shall
27 reflect regional, racial, and cultural diversity to adequately
28 represent the needs of all children and families in the state.

1 (4) Councilmembers shall serve two-year terms. However, to stagger
2 the terms of the council, the initial appointments for twelve of the
3 members shall be for one year. Once the initial one-year to two-year
4 terms expire, all subsequent terms shall be for two years, with the
5 terms expiring on June 30th of the applicable year. The terms shall be
6 staggered in such a way that, where possible, the terms of members
7 representing a specific group do not expire simultaneously.

8 (5) The council shall consist of not more than twenty-three
9 members, as follows:

10 (a) The governor shall appoint at least one representative from
11 each of the following: The department, the office of financial
12 management, the department of social and health services, the
13 department of health, the council for higher education (~~coordinating~~
14 ~~board~~)), and the state board for community and technical colleges;

15 (b) One representative from the office of the superintendent of
16 public instruction, to be appointed by the superintendent of public
17 instruction;

18 (c) The governor shall appoint seven leaders in early childhood
19 education, with at least one representative with experience or
20 expertise in one or more of the areas such as the following: The K-12
21 system, family day care providers, and child care centers with four of
22 the seven governor's appointees made as follows:

23 (i) The head start state collaboration office director or the
24 director's designee;

25 (ii) A representative of a head start, early head start,
26 migrant/seasonal head start, or tribal head start program;

27 (iii) A representative of a local education agency; and

28 (iv) A representative of the state agency responsible for programs
29 under section 619 or part C of the federal individuals with
30 disabilities education act;

31 (d) Two members of the house of representatives, one from each
32 caucus, and two members of the senate, one from each caucus, to be
33 appointed by the speaker of the house of representatives and the
34 president of the senate, respectively;

35 (e) Two parents, one of whom serves on the department's parent
36 advisory group, to be appointed by the governor;

37 (f) One representative of the private-public partnership created in
38 RCW 43.215.070, to be appointed by the partnership board;

1 (g) One representative designated by sovereign tribal governments;
2 and

3 (h) One representative from the Washington federation of
4 independent schools.

5 (6) The council shall be cochaired by one representative of a state
6 agency and one nongovernmental member, to be elected by the council for
7 two-year terms.

8 (7) The council shall appoint two members and stakeholders with
9 expertise in early learning to sit on the technical working group
10 created in section 2, chapter 234, Laws of 2010.

11 (8) Each member of the board shall be compensated in accordance
12 with RCW 43.03.240 and reimbursed for travel expenses incurred in
13 carrying out the duties of the board in accordance with RCW 43.03.050
14 and 43.03.060.

15 (9) The department shall provide staff support to the council."

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16 On page 239, line 28, after "**604.**" strike "Section 248 of this act
17 takes" and insert "Sections 239 and 248 of this act take"

18 On page 240, line 3, after "for" strike "section 248" and insert
19 "sections 239 and 248"

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1 On page 2, line 2 of the title, after "28B.115.090," insert
2 "28B.115.110,"

3 On page 2, line 27 of the title, after "28B.92.030," strike
4 "28B.115.110,"

5 On page 2, line 35 of the title, after "28B.76.530," strike
6 "28B.115.060,"

EFFECT: Conforms current bill sections to 2011 laws passed during
the 2011 regular session and already signed by the Governor.

--- END ---