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**HOUSE BILL 1504**

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

**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, 43.79.195, and 82.04.299; adding a new section to chapter 28B.115 RCW; adding a new section to chapter 71.24 RCW; creating a new section; and making appropriations.

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 and pharmacists;

(6) Substance use disorder professionals;

(7) Community mental health workers; and

(8) Social workers.

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.**  The sum of $2,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2022, from the workforce education investment account, and the sum of $2,000,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2023, from the workforce education investment account provided solely to the student achievement council for the purposes of increasing loan repayment awards within the behavioral health loan repayment program.

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:

The authority shall establish a behavioral health workforce pilot program and training support grants for community mental health 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.

NEW SECTION. **Sec.**  $900,000, or as much thereof as may be necessary, is appropriated for the biennium ending June 30, 2023, from the workforce education investment account to the Washington state health care authority for the purposes of section 4 of this act.

**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 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.

**Sec.**  RCW 82.04.299 and 2020 c 2 s 4 are each amended to read as follows:

(1)(a) Beginning with business activities occurring on or after April 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on select advanced computing businesses. The surcharge is equal to the gross income of the business subject to the tax under RCW 82.04.290(2), multiplied by the rate of 1.22 percent.

(b) Except as provided in (e) of this subsection (1), in no case will the combined surcharge imposed under this subsection (1) paid by all members of an affiliated group be more than ((~~nine million dollars~~)) $20,000,000 annually.

(c) For persons subject to the surcharge imposed under this subsection (1) that report under one or more tax classifications, the surcharge applies only to business activities taxed under RCW 82.04.290(2).

(d) The surcharge imposed under this subsection (1) must be reported and paid on a quarterly basis in a manner as required by the department. Returns and amounts payable under this subsection (1) are due by the last day of the month immediately following the end of the reporting period covered by the return. All other taxes must be reported and paid as required under RCW 82.32.045.

(e)(i) To aid in the effective administration of the surcharge in this subsection (1), the department may require persons believed to be engaging in advanced computing or affiliated with a person believed to be engaging in advanced computing to disclose whether they are a member of an affiliated group and, if so, to identify all other members of the affiliated group subject to the surcharge.

(ii) If the department establishes, by clear, cogent, and convincing evidence, that one or more members of an affiliated group, with intent to evade the surcharge under this subsection (1), failed to fully comply with this subsection (1)(e), the department must assess against that person, or those persons collectively, a penalty equal to fifty percent of the amount of the total surcharge payable by all members of that affiliated group for the calendar year during which the person or persons failed to fully comply with this subsection (1)(e). The penalty under this subsection (1)(e) is in lieu of and not in addition to the evasion penalty under RCW 82.32.090(7).

(f) For the purposes of this subsection (1) the following definitions apply:

(i) "Advanced computing" means designing or developing computer software or computer hardware, whether directly or contracting with another person, including modifications to computer software or computer hardware, cloud computing services, or operating an online marketplace, an online search engine, or online social networking platform;

(ii) "Affiliate" and "affiliated" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(iii) "Affiliated group" means a group of two or more persons that are affiliated with each other;

(iv) "Cloud computing services" means on-demand delivery of computing resources, such as networks, servers, storage, applications, and services, over the internet;

(v) "Control" means the possession, directly or indirectly, of more than fifty percent of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise; and

(vi) "Select advanced computing business" means a person who is a member of an affiliated group with at least one member of the affiliated group engaging in the business of advanced computing, and the affiliated group has worldwide gross revenue of more than twenty-five billion dollars during the immediately preceding calendar year. A person who is primarily engaged within this state in the provision of commercial mobile service, as that term is defined in 47 U.S.C. Sec. 332(d)(1), shall not be considered a select advanced computing business. A person who is primarily engaged in this state in the operation and provision of access to transmission facilities and infrastructure that the person owns or leases for the transmission of voice, data, text, sound, and video using wired telecommunications networks shall not be considered a select advanced computing business. A person that is primarily engaged in business as a "financial institution" as defined in RCW 82.04.29004, as that section existed on January 1, 2020, shall not be considered a select advanced computing business. For purposes of this subsection (1)(f)(vi), "primarily" is determined based on gross income of the business.

(2) The workforce education investment surcharge under this section does not apply to any hospital as defined in RCW 70.41.020, including any hospital that comes within the scope of chapter 71.12 RCW if the hospital is also licensed under chapter 70.41 RCW.

(3) Revenues from the surcharge under this section must be deposited directly into the workforce education investment account established in RCW 43.79.195.

(4) The department has the authority to determine through an audit or other investigation whether a person is subject to the surcharge imposed in this section.

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