

SENATE BILL REPORT

SB 5498

As of February 18, 2023

Title: An act relating to creating the hospital-based nurse student loan repayment assistance program under the Washington health corps.

Brief Description: Creating the hospital-based nurse student loan repayment assistance program under the Washington health corps. [**Revised for 1st Substitute:** Creating the nurse student loan repayment assistance program under the Washington health corps.]

Sponsors: Senators Mullet, Holy, Rivers, King, Cleveland, Braun, Conway, Pedersen, Shewmake and Wilson, C..

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/01/23, 2/10/23 [DPS-WM].

Ways & Means: 2/18/23.

Brief Summary of First Substitute Bill

- Establishes the Nurse Loan Repayment Assistance Program under the Washington Health Corps for nurses at participating employers.
- Requires the Office of Student Financial Assistance to establish award amounts and other requirements for participation.
- Creates an account for participating employer matching funds collected under the program.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5498 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Randall, Chair; Nobles, Vice Chair; Holy, Ranking Member; Liias.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Alicia Kinne-Clawson (786-7407)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Michele Alishahi (786-7433)

Background: Washington Health Corps. In 2019, the Legislature established the Washington Health Corps. It consists of certain loan repayment and scholarship programs for licensed health professions who meet certain criteria and provide service in underserved communities. These programs are:

- the Health Professional Loan Repayment and Scholarship Program; and
- the Behavioral Health Loan Repayment Program.

The Washington Student Achievement Council (WSAC) administers these programs in collaboration with the Department of Health (DOH). Both programs provide a maximum loan repayment award of \$75,000 for a minimum three-year service obligation of full-time employment. A participant is required to work at least a 24-hour work week and is allowed 40 days per year in leave. If the participant works less than a full-time work schedule, employment may be prorated up to five years. Each program then differs in the type of licensed health professionals and geographic areas of service that may qualify. Under the Health Professional Loan Repayment Program, rules require that participants be providing Comprehensive Primary Care (CPC) through primary medical care, behavioral/mental health services or dental services, or both.

Both programs are subject to appropriation.

Summary of Bill (First Substitute): The Nurse Student Loan Repayment Assistance Program (program) is created under the Washington Health Corps. The program is established for nurses employed by participating employers. A participating employer is one that has elected to participate in the program, is licensed by DOH, and is one of the following:

- a hospital;
- a psychiatric hospital;
- a nursing home;
- an assisted living facility;
- an ambulatory surgical facility;
- an enhanced services facility;
- a federally qualified health center; or
- a school-based health center.

The Office of Student Financial Assistance (office) is responsible for administration of the program which includes the selection of nurses to participate in the program on a quarterly basis and administration of a process for employers to elect to become participating employers.

The office must establish the annual award amount which must be based on a calculation of 50 percent of the sum of the required monthly student loan payments for 130 percent of the median participating nurse's loan amount. The total amount awarded per year cannot exceed the appropriation for that fiscal year. The maximum award duration is five years.

Participating employers are responsible for 50 percent of the loan repayments funded under the program. The office is responsible for collecting funds for the repayment from participating employers.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

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 on First Substitute (Higher Education & Workforce Development): PRO: There is a major workforce challenge when it comes to nursing and there must be a solution. In the healthcare space when there are workforce challenges the outcomes can be severe. Hospitals are at a breaking point. Staff burnout is at record levels. This bill is a nurse loan repayment matching program where employers put in half and the state puts in half. This program will aid nurses with the monthly student loan payment for up to five years if they work for a participating employer. This will cover about 65 percent of the median RN borrower's monthly payment amount. Participating hospitals that are not critical access or sole community hospitals would reimburse the state for half the amount awarded to their employees in a public private partnership. There is a variety of places in the healthcare sector to participate in this program. Appropriations may be a challenge, and a creative way to pay for this must be found. There are two focuses in the nursing space. How to get more nurses in the pipeline. This helps retention and can be used as a recruitment tool.

Persons Testifying (Higher Education & Workforce Development): PRO: Senator Mark Mullet, Prime Sponsor; Ashlen Strong, Washington State Hospital Association; Jacqueline Mossakowski, RN, Tri-State Memorial Hospital; Lily Wilson-Codega, UFCW 3000.

Persons Signed In To Testify But Not Testifying (Higher Education & Workforce Development): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: We see two primary ways to address our staffing crisis. The first is recruiting new nurses to the profession and the

second is retraining the nurses we do have working in our hospitals and out in other health care settings. This bill is aimed at retention. These funds will help alleviate some of the student loan debt burden on our nurses. This bill is also a recruitment tool, as nurses can move to any state, but an extra benefit available to nurses in Washington might give us an edge in attracting nurses to our state.

Persons Testifying (Ways & Means): PRO: Melissa Johnson, Washington State Nurses Association; Ashlen Strong, Washington State Hospital Association.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.