

# HOUSE BILL REPORT

## HB 1229

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*As Reported By House Committee on:  
Higher Education*

**Title:** An act relating to mental health practitioners' loan repayment program.

**Brief Description:** Establishing a mental health practitioners' loan repayment program.

**Sponsor(s):** Representatives Fraser, Prince, Jacobsen, Belcher, Sheldon, Ogden, Moyer, Ludwig, Morris, Brekke, Spanel and Rasmussen.

**Brief History:**

Reported by House Committee on:  
Higher Education, February 11, 1991, DPS.

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**HOUSE COMMITTEE ON  
HIGHER EDUCATION**

**Majority Report:** *That Substitute House Bill No. 1229 be substituted therefor, and the substitute bill do pass.*  
Signed by 13 members: Representatives Jacobsen, Chair; Ogden, Vice Chair; Wood, Ranking Minority Member; May, Assistant Ranking Minority Member; Basich; Dellwo; Fraser; Ludwig; Miller; Prince; Sheldon; Spanel; and Van Luven.

**Staff:** Susan Hosch (786-7120).

**Background:** During the last five years, the Legislature has enacted a number of scholarship programs to attract students into professions needed by the State. Through the Future Teachers Conditional Scholarship Program, outstanding students receive a conditional scholarship of \$3,000 per year for a maximum of five years. That scholarship is forgiven if, upon graduation, each student teaches in the public schools of the State for ten years. If a student does not meet that commitment, he or she must repay the scholarship, with interest, over a ten year period.

The Nurses Conditional Scholarship Program, enacted in 1988, followed a similar model. Students may receive \$3,000 per year for a maximum of five years. The conditional scholarship is forgiven if, upon graduation, the nurse works in a nursing shortage area for five years. Otherwise, the

scholarship must be repaid, with interest over a five year period.

The Rural Physician, Pharmacists, and Midwife Scholarship Program was established in 1990. Medical students participating in the program may receive up to \$15,000 per year for three years. Students studying pharmacy and midwifery may receive \$4,000 per year for three years. The conditional scholarships are forgiven if, for a minimum of five years, the medical students work in a rural area, and the other students work in an area in which pharmacy or midwifery skills are lacking. Otherwise, the students must repay twice the amount they received in scholarship.

The Health professions Loan Repayment Program was created in 1989. Through that program, licensed health professionals serving in health professional shortage areas may receive assistance in repaying their educational loans. Participants must serve for at least three years in a designated health shortage area.

***Summary of Substitute Bill:*** The Mental Health Practitioners' Loan Repayment Program is created. The program will be administered by the Higher Education Coordinating Board. The board's program responsibilities are described. These responsibilities include selecting program participants, facilitating collection and acceptance of grants and donations, making payments to participants, and collecting repayments from persons who do not complete their service obligations.

With the assistance of a planning committee, the board will develop criteria for selecting program participants. The types of experts to be included on the planning committee are described. Participation will be limited to mental health practitioners working in community mental health programs located in mental health shortage areas. The Department of Social and Health Services will define mental health shortage areas.

Through the program, participants may receive up to \$3,000 per year for a maximum of five years. These funds are intended to help the participants repay educational loans. However, the size of a participant's award will be determined by the board, and will be based upon reasonable levels of expenditures for each of the mental health professions.

Participants must agree to serve for at least five years as mental health practitioners in community mental health programs located in mental health shortage areas. Within ninety days, each participant will begin receiving funds to

repay educational loans incurred while the participant was in a mental health training program. Repayments will be limited to payments owed on the principle and interest of a participant's educational loans.

Except for circumstances beyond his or her control, any participant who does not meet his or her service obligation will be required to repay the amount of money received from the program, plus interest. The participant will have five years to meet this requirement. The terms of repayment will be consistent with the terms of the Guaranteed Student Loan Program. A participant's obligation to repay these amounts is in addition to the obligation the participant has to continue repaying his or her educational loans. The board is responsible for collecting repayments to the program.

The board will not be responsible for any outstanding payments owed to lenders by any participant. After June 30, 1997, no loan repayment awards may be granted without legislative re-authorization.

***Substitute Bill Compared to Original Bill:*** Program definitions are clarified. The State Board for Community College Education will be a member of the program planning committee. Instead of soliciting grants and donations, the board will facilitate the collection and acceptance of grants and donations. Participants who do not meet their service obligation will repay the program the amount received, plus interest, instead of repaying double the amount received. The board is not responsible for any outstanding payments owed to lenders, regardless of circumstance.

***Fiscal Note:*** Requested February 11, 1991.

***Effective Date:*** Ninety days after adjournment of session in which bill is passed.

***Testimony For:*** Community mental health centers are having a difficult time recruiting and retaining qualified professionals to work with persons who are mentally ill. Many reasons for this difficulty exist, not the least of which is the relatively low wages paid to mental health practitioners. The turnover rate of qualified mental health practitioners in the Northwest is 32.4 percent. This rate exceeds the national turnover rate of 26 percent. In September, an estimated 350 vacancies were reported for mental health practitioners in community mental health centers. That rate is estimated to rise to 500 vacancies by July of 1991. A taskforce created by the Legislature recommended the establishment of a loan repayment program.

The program may assist community mental health centers to recruit qualified individuals into vacant positions.

***Testimony Against:*** None.

***Witnesses:*** David Hanig, Department of Social and Health Services; Hal Gutting, Kitsap Mental Health Services; Vern Gordon, UFCW (union representative); Pat DeBoer, Alliance for Mentally Ill of Washington State; Gary Rose, WCDMHP (mental health professionals organization); Don Zazon, Peninsula Counseling Center; and Tim Miller, Kitsap Mental Health Services.