S-4157.2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SUBSTITUTE SENATE BILL 6259**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 65th Legislature 2018 Regular Session**

**By** Senate Higher Education & Workforce Development (originally sponsored by Senators Ranker, Darneille, Palumbo, Keiser, McCoy, Liias, Kuderer, and Saldaña)

AN ACT Relating to creating the social work professional loan repayment program; amending RCW 43.79A.040; and adding a new chapter to Title 28B RCW.

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

NEW SECTION. **Sec.**  It is the intent of the legislature to incentivize social workers to enter into and continue in state service. Annual turnover is over twenty percent statewide for child welfare workers and over thirty percent in some regions. Repeated turnover has direct costs and indirect costs such as low morale, increased workloads, and the impact of relative inexperience on outcomes of safety, permanence and well-being. Consistent social worker assistance to families creates better outcomes and increases family reunification. The cost of achieving their professional credential requirements can result in a social worker having an educational debt burden greater than their annual salary. Over eighty percent of social workers have student debt and the pressure to pay this debt while caring for at-risk children in crisis can be a major barrier to retaining social workers. In addition, educational debt has been identified as a deterrent to students entering into public service careers.

NEW SECTION. **Sec.**  Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

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

(2) "Forgiven," "to forgive," or "forgiveness" means to render social work services as a state of Washington employee.

(3) "Loan repayment" means a loan that is paid in full or in part if the participant renders social work services on behalf of the state of Washington.

(4) "Office" means the office of student financial assistance.

(5) "Participant" means a social work professional who has received a loan repayment award and commenced practice as a social worker.

(6) "Program" means the social work professional loan repayment program.

(7) "Required service obligation" means an obligation by the participant to provide social work services on behalf of the state of Washington department of social and health services children's administration or the state of Washington department of children, youth, and families for a period to be established as provided for in this chapter.

(8) "Satisfied" means paid in full.

(9) "Social worker" means a person who is licensed under RCW 18.225.090(1)(a) or qualified under chapter 18.320 RCW.

NEW SECTION. **Sec.**  The social work professional loan repayment program is established for social work professionals. The program shall be administered by the office. In administering this program, the office shall:

(1) Verify social work professionals who are eligible to participate in the program;

(2) Adopt rules and develop guidelines to administer the program;

(3) Coordinate with the office of financial management state human resources division, professional associations, and the student achievement council to publicize the program, particularly to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the workforce; and

(4) Accept grants and donations from public and private sources for the program.

NEW SECTION. **Sec.**  (1) Social workers employed by the department of social and health services children's administration or department of children, youth, and families are eligible to participate in the program two years after commencing their employment as a social worker for either agency.

(2) Each participant is eligible for:

(a) Quarterly or more frequent payments, not to exceed one thousand twelve hundred fifty dollars, or the monthly equivalent payment, as determined by the office, subject to the best use of the funds and continued eligibility for the program; and

(b) A maximum lifetime award of fifty thousand dollars, for up to a maximum of ten consecutive years, until the loan is repaid.

(3) Repayment of loans under this program shall begin no later than ninety days after the individual has become a participant. Payments shall be made quarterly, or more frequently if deemed appropriate by the office, to the participant until:

(a) The loan is repaid;

(b) The participant becomes ineligible due to discontinued service as a social worker on behalf of the department of social and health services children's administration or department of children, youth, and families; or

(c) The award limits specified in subsection (2) of this section are reached.

(4) The payments in subsection (3) of this section will be for the full amount of the loans paid by the participant during the prior period.

(5) Should the participant discontinue service in a social work profession, payments against the participant's loans shall cease to be effective on the date the participant discontinues service.

(6) The office shall not be held responsible for any outstanding payments on principal or interest to any lenders once a participant's eligibility expires.

(7) Loans from federal government sources may be repaid by the program.

(8) Participants shall allow the office access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments.

(9) Loans may not be renegotiated with lenders to accelerate repayment.

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

NEW SECTION. **Sec.**  A pilot program is established for up to ten embedded social workers to participate in the social work loan repayment program. At least five of the embedded social workers must be selected from each side of the Cascade mountain range. Embedded social workers are eligible to participate in the pilot program two years after commencing their employment as a social worker with a state or local law enforcement agency. The office shall develop criteria and select eligible participants for the pilot program. Each participant in the pilot program is eligible for the benefits defined in section 4(2) of this act or for the duration of the pilot program, whichever comes first. Eligible participants must adhere to the repayment guidelines defined in section 4 (3) through (9) of this act. The pilot program shall conclude June 30, 2023.

NEW SECTION. **Sec.**  A pilot program is established for up to ten mental health professionals as defined in RCW 18.225.010(3) or social workers employed by local governments to participate in the social work loan repayment program. At least five of the mental health professionals or social workers must be selected from a county on the east side of the Cascades and at least five must be selected from the west side of the Cascades. Mental health professionals or social workers are eligible to participate in the pilot program two years after commencing their employment as a mental health professional or social worker with a local government. The office shall develop criteria and select eligible participants for the pilot program. Each participant in the pilot program is eligible for the benefits defined in section 4(2) of this act or for the duration of the pilot program, whichever comes first. Eligible participants must adhere to the repayment guidelines defined in section 4 (3) through (9) of this act. The pilot program shall conclude June 30, 2023.

NEW SECTION. **Sec.**  The office may grant loan repayment to eligible participants from the funds appropriated for this purpose or from any private or public funds given to the office for this purpose. Funds appropriated for the program, including reasonable administrative costs, may be used by the office for the purposes of loan repayments.

NEW SECTION. **Sec.**  The social work professional loan repayment program fund is created in custody of the state treasurer. Any funds appropriated by the legislature for the social work professional loan repayment program or any other public or private funds intended for loan repayments under this program shall be placed in the program fund created by this section. All receipts from the program shall be deposited into the program fund. Only the office, or its designee, may authorize expenditures from the program fund. The program fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

**Sec.**  RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the social work professional loan repayment program fund, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec.**  Sections 1 through 8 of this act constitute a new chapter in Title 28B RCW.

**--- END ---**