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**SUBSTITUTE HOUSE BILL 1504**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House College & Workforce Development (originally sponsored 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)

READ FIRST TIME 02/15/21.

1 AN ACT Relating to modifying the workforce education investment  
2 act to invest in new and existing behavioral health workforce  
3 programs; amending RCW 28B.145.030 and 43.79.195; adding a new  
4 section to chapter 28B.115 RCW; adding a new section to chapter 71.24  
5 RCW; creating a new section; and making appropriations.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that there is a  
8 compelling and urgent need for coordinated investments in the state's  
9 behavioral health workforce. The demand for a qualified behavioral  
10 health workforce continues to grow as the availability of services  
11 throughout the state does not meet the need. According to the  
12 workforce training and education coordinating board's "behavioral  
13 health workforce: Barriers and solutions report," Washington ranks 31  
14 out of the 50 states when comparing prevalence of mental illness to  
15 access to care. In addition, behavioral health needs have increased  
16 since the COVID-19 pandemic began and the need is expected to rise as  
17 economic and social hardships continue. Despite increased demand, the  
18 legislature finds that there continues to be difficulties in  
19 recruiting and retaining professionals who are adequately trained to  
20 meet behavioral health needs. Many of these professions require years  
21 of training, ranging from some postsecondary education to medical

1 degrees. In addition, the legislature finds that there is significant  
2 variation in the geographic distribution of behavioral health  
3 providers across the state. Rural and underserved areas face  
4 disparities in access to care. High student loan debt loads, better  
5 pay, and lighter caseloads can drive behavioral health professionals  
6 into private practice or hospital-based settings rather than  
7 community-based settings which typically have a higher percentage of  
8 medicaid-funded services and higher caseloads.

9 The legislature finds that there are professions and areas within  
10 the behavioral health workforce that are most in need of state  
11 investment. The legislature intends to focus coordinated efforts and  
12 investments on these areas of greatest need including, but not  
13 limited to:

- 14 (1) Behavioral health apprenticeships;
- 15 (2) Children's mental health professionals;
- 16 (3) Peer counselors;
- 17 (4) Crisis hotline agents;
- 18 (5) Behavioral health residencies for professionals such as  
19 psychiatrists, advanced registered nurse practitioners, physician  
20 assistants, and pharmacists;
- 21 (6) Substance use disorder professionals;
- 22 (7) Community mental health workers;
- 23 (8) Clinical social workers;
- 24 (9) Licensed mental health counselors;
- 25 (10) Licensed marriage and family therapists; and
- 26 (11) Clinical psychologists.

27 The legislature also recognizes existing programs that have  
28 helped recruit, retain, and grow the behavioral health workforce,  
29 such as the Washington health corps, which provides loan repayment to  
30 behavioral health professionals, and the Washington state opportunity  
31 scholarship, which utilizes a public-private match to fund  
32 scholarships for students pursuing health fields. Therefore, the  
33 legislature intends to increase the behavioral health workforce by  
34 expanding on successful existing programs, establishing new ones, and  
35 by focusing the efforts of the workforce education investment act.

36 NEW SECTION. **Sec. 2.** The sum of \$2,000,000, or as much thereof  
37 as may be necessary, is appropriated for the fiscal year ending June  
38 30, 2022, from the workforce education investment account, and the  
39 sum of \$2,000,000, or as much thereof as may be necessary, is

1 appropriated for the fiscal year ending June 30, 2023, from the  
2 workforce education investment account provided solely to the student  
3 achievement council for the purposes of increasing loan repayment  
4 awards within the behavioral health loan repayment program.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.115  
6 RCW to read as follows:

7 The office and the department of health shall prioritize a  
8 portion of any nonfederal balances in the health professional loan  
9 repayment and scholarship program fund for conditional loan repayment  
10 contracts for applications that reflect demographically  
11 underrepresented populations. Loan repayment contracts may include  
12 services provided in the community or at a designated site.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 71.24  
14 RCW to read as follows:

15 The authority shall establish a behavioral health workforce pilot  
16 program and training support grants for community mental health  
17 providers including, but not limited to, clinical social workers,  
18 licensed mental health counselors, licensed marriage and family  
19 therapists, clinical psychologists, and substance abuse treatment  
20 providers. The authority must implement these services in partnership  
21 with and through the regional accountable communities of health or  
22 the University of Washington behavioral health institute.

23 (1)(a) The intent of the pilot program is to provide incentive  
24 pay for individuals serving as clinical supervisors within community  
25 behavioral health agencies. The desired outcomes of the pilot program  
26 include increased internships and entry opportunities for new  
27 clinicians through recruitment and retention of supervisors. The  
28 authority must ensure the pilot program covers three sites serving  
29 primarily medicaid clients in both eastern and western Washington.  
30 One of the sites must specialize in the delivery of behavioral health  
31 services for medicaid enrolled children. Of the remaining two sites,  
32 one must offer substance use disorder treatment services.

33 (b) The authority must provide a report to the office of  
34 financial management and the appropriate committees of the  
35 legislature by September 30, 2023, on the outcomes of the pilot  
36 program. The report must include:

37 (i) A description of the mechanism for incentivizing supervisor  
38 pay and other strategies used at each of the sites;

1 (ii) The number of supervisors that received bonus pay at each  
2 site;

3 (iii) The number of students or prelicensure clinicians that  
4 received supervision at each site;

5 (iv) The number of supervision hours provided at each site;

6 (v) Initial reporting on the number of students or prelicensure  
7 clinicians who received supervision through the pilot programs that  
8 moved into a permanent position with the pilot program or another  
9 community behavioral health program in Washington state at the end of  
10 their supervision;

11 (vi) Identification of options for establishing enhancement of  
12 supervisor pay through managed care organization payments to  
13 behavioral health providers; and

14 (vii) Recommendations of individual site policy and practice  
15 implications for statewide implementation.

16 (2) The authority shall establish a grant program to mental  
17 health and substance use disorder providers that provides flexible  
18 funding for training and mentoring of clinicians serving children and  
19 youth. The authority must consult with stakeholders, including but  
20 not limited to behavioral health experts in services for children and  
21 youth, providers, and consumers, to develop guidelines for how the  
22 funding could be used, with a focus on evidence-based and promising  
23 practices, continuing education requirements, and quality monitoring  
24 infrastructure.

25 NEW SECTION. **Sec. 5.** \$900,000, or as much thereof as may be  
26 necessary, is appropriated for the biennium ending June 30, 2023,  
27 from the workforce education investment account to the Washington  
28 state health care authority for the purposes of section 4 of this  
29 act.

30 **Sec. 6.** RCW 28B.145.030 and 2019 c 406 s 65 are each amended to  
31 read as follows:

32 (1) The program administrator shall provide administrative  
33 support to execute the duties and responsibilities provided in this  
34 chapter, including but not limited to publicizing the program,  
35 selecting participants for the opportunity scholarship award,  
36 distributing opportunity scholarship awards, and achieving the  
37 maximum possible rate of return on investment of the accounts in  
38 subsection (2) of this section, while ensuring transparency in the

1 investment decisions and processes. Duties, exercised jointly with  
2 the board, include soliciting funds and setting annual fund-raising  
3 goals. The program administrator shall be paid an administrative fee  
4 as determined by the board.

5 (2) With respect to the opportunity scholarship program, the  
6 program administrator shall:

7 (a) Establish and manage the specified accounts created in (b) of  
8 this subsection, into which to receive grants and contributions from  
9 private sources as well as state matching funds, and from which to  
10 disburse scholarship funds to participants;

11 (b) Solicit and accept grants and contributions from private  
12 sources, via direct payment, pledge agreement, or escrow account, of  
13 private sources for deposit into any of the specified accounts  
14 created in this subsection (2)(b) upon the direction of the donor and  
15 in accordance with this subsection (2)(b):

16 (i) The "scholarship account," whose principal may be invaded,  
17 and from which scholarships must be disbursed for baccalaureate  
18 programs beginning no later than December 1, 2011, if, by that date,  
19 state matching funds in the amount of five million dollars or more  
20 have been received. Thereafter, scholarships shall be disbursed on an  
21 annual basis beginning no later than May 1, 2012, and every October  
22 1st thereafter;

23 (ii) The "student support pathways account," whose principal may  
24 be invaded, and from which scholarships may be disbursed for  
25 professional-technical certificate or degree programs in the fiscal  
26 year following appropriations of state matching funds. Thereafter,  
27 scholarships shall be disbursed on an annual basis;

28 (iii) The "advanced degrees pathways account," whose principal  
29 may be invaded, and from which scholarships may be disbursed for  
30 eligible advanced degree programs in the fiscal year following  
31 appropriations of state matching funds. Thereafter, scholarships  
32 shall be disbursed on an annual basis;

33 (iv) The "endowment account," from which scholarship moneys may  
34 be disbursed for baccalaureate programs from earnings only in years  
35 when:

36 (A) The state match has been made into both the scholarship and  
37 the endowment account; and

38 (B) The state appropriations for the Washington college grant  
39 program under chapter 28B.92 RCW meet or exceed state appropriations  
40 for the state need grant made in the 2011-2013 biennium, adjusted for

1 inflation, and eligibility for Washington college grant recipients is  
2 at least seventy percent of state median family income;

3 (v) An amount equal to at least fifty percent of all grants and  
4 contributions must be deposited into the scholarship account until  
5 such time as twenty million dollars have been deposited into the  
6 scholarship account, after which time the private donors may  
7 designate whether their contributions must be deposited to the  
8 scholarship account, the student support pathways account, the  
9 advanced degrees pathways account, or the endowment account. The  
10 board and the program administrator must work to maximize private  
11 sector contributions to these accounts to maintain a robust  
12 scholarship program while simultaneously building the endowment, and  
13 to determine the division between the accounts in the case of  
14 undesignated grants and contributions, taking into account the need  
15 for a long-term funding mechanism and the short-term needs of  
16 families and students in Washington. The first five million dollars  
17 in state match, as provided in RCW 28B.145.040, shall be deposited  
18 into the scholarship account and thereafter the state match shall be  
19 deposited into the specified accounts created in this subsection  
20 (2)(b) in equal proportion to the private funds deposited in each  
21 account, except that no more than (~~one million dollars~~) \$2,000,000  
22 in state match shall be deposited into the advanced degrees pathways  
23 account in a single fiscal biennium; and

24 (vi) Once moneys in the opportunity scholarship match transfer  
25 account are subject to an agreement under RCW 28B.145.050(5) and are  
26 deposited in the scholarship account, the student support pathways  
27 account, the advanced degrees pathways account, or the endowment  
28 account under this section, the state acts in a fiduciary rather than  
29 ownership capacity with regard to those assets. Assets in the  
30 scholarship account, the student support pathways account, the  
31 advanced degrees pathways account, and the endowment account are not  
32 considered state money, common cash, or revenue to the state;

33 (c) Provide proof of receipt of grants and contributions from  
34 private sources to the council, identifying the amounts received by  
35 name of private source and date, and whether the amounts received  
36 were deposited into the scholarship account, the student support  
37 pathways account, the advanced degrees pathways account, or the  
38 endowment account;

39 (d) In consultation with the council and the state board for  
40 community and technical colleges, make an assessment of the

1 reasonable annual eligible expenses associated with eligible  
2 education programs and eligible advanced degree programs identified  
3 by the board;

4 (e) Determine the dollar difference between tuition fees charged  
5 by institutions of higher education in the 2008-09 academic year and  
6 the academic year for which an opportunity scholarship is being  
7 distributed;

8 (f) Develop and implement an application, selection, and  
9 notification process for awarding opportunity scholarships;

10 (g) Ensure that if the private source is from a federally  
11 recognized Indian tribe, municipality, or county, an amount at least  
12 equal to the value of the private source plus the state match is  
13 awarded to participants within that federally recognized Indian  
14 tribe, municipality, or county according to the federally recognized  
15 Indian tribe's, municipality's, or county's program rules;

16 (h) Determine the annual amount of the opportunity scholarship  
17 for each selected participant. The annual amount shall be at least  
18 one thousand dollars or the amount determined under (e) of this  
19 subsection, but may be increased on an income-based, sliding scale  
20 basis up to the amount necessary to cover all reasonable annual  
21 eligible expenses as assessed pursuant to (d) of this subsection, or  
22 to encourage participation in professional-technical certificate  
23 programs, professional-technical degree programs, baccalaureate  
24 degree programs, or eligible advanced degree programs identified by  
25 the board;

26 (i) Distribute scholarship funds to selected participants. Once  
27 awarded, and to the extent funds are available for distribution, an  
28 opportunity scholarship shall be automatically renewed as long as the  
29 participant annually submits documentation of filing both a free  
30 application for federal student aid (FAFSA) and for available federal  
31 education tax credits including, but not limited to, the American  
32 opportunity tax credit, or if ineligible to apply for federal student  
33 aid, the participant annually submits documentation of filing a state  
34 financial aid application as approved by the office of student  
35 financial assistance; and until the participant withdraws from or is  
36 no longer attending the program, completes the program, or has taken  
37 the credit or clock hour equivalent of one hundred twenty-five  
38 percent of the published length of time of the participant's program,  
39 whichever occurs first;

1 (j) Notify institutions of scholarship recipients who will attend  
2 their institutions and inform them of the terms of the students'  
3 eligibility; and

4 (k) For participants enrolled in an eligible advanced degree  
5 program, document each participant's employment following graduation.

6 (3) With respect to the opportunity expansion program, the  
7 program administrator shall:

8 (a) Assist the board in developing and implementing an  
9 application, selection, and notification process for making  
10 opportunity expansion awards; and

11 (b) Solicit and accept grants and contributions from private  
12 sources for opportunity expansion awards.

13 **Sec. 7.** RCW 43.79.195 and 2020 c 2 s 2 are each amended to read  
14 as follows:

15 (1) The workforce education investment account is created in the  
16 state treasury. All revenues from the workforce investment surcharge  
17 created in RCW 82.04.299 and those revenues as specified under RCW  
18 82.04.290(2)(c) must be deposited directly into the account. Moneys  
19 in the account may be spent only after appropriation. Expenditures  
20 from the account may be used only for higher education programs,  
21 higher education operations, higher education compensation, ~~((and))~~  
22 state-funded student aid programs, and workforce development. ~~((For~~  
23 ~~the 2019-2021 biennium, expenditures from the account may be used for~~  
24 ~~kindergarten through twelfth grade if used for career connected~~  
25 ~~learning as provided for in chapter 406, Laws of 2019.))~~

26 (2) Expenditures from the workforce education investment account  
27 must be used to supplement, not supplant, other federal, state, and  
28 local funding for higher education.

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