

# FINAL BILL REPORT

## HB 1763

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Synopsis as Enacted

**Brief Description:** Ensuring completion of conditional scholarship obligations and reducing penalties for excusable incomplete obligations.

**Sponsors:** Representatives Eslick, Leavitt, Senn, Callan, Schmidt and Pollet.

**House Committee on Postsecondary Education & Workforce**  
**Senate Committee on Higher Education & Workforce Development**

### **Background:**

The Washington Health Corps was established to encourage healthcare professionals to work in underserved communities. In exchange for service, a healthcare professional receives assistance with higher education in the form of loan repayment or conditional scholarships. The Washington Health Corps is an umbrella program under which three programs exist:

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

The Office of Student Financial Assistance (Office), created within and under the direction of the Washington Student Achievement Council, administers these programs in collaboration with the Department of Health.

Should a Washington Health Corps conditional scholarship participant fail to complete their service obligations, the participant must immediately pay the unsatisfied portion of the principal and interest, which includes an equalization fee. If the participant is unable to pay the full amount immediately, they must enter into a payment arrangement that includes interest. While there is no limitation on the loan interest rate, which is determined by the Office, it is 4.99 percent to match the interest rate of primary federal student loans for undergraduate students.

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*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.*

Collection of repayments are pursued using the full extent of the law, including wage garnishment if necessary. The Office is not required to, but may, make exceptions to the conditions for participation and repayment obligations should circumstances beyond the control of a participant warrant such exceptions.

**Summary:**

The loan interest rate and repayment interest rate for conditional scholarships under the Washington Health Corps is limited to 2 percent.

The Office of Student Financial Assistance (Office) is required to make exceptions to the conditions for participation and repayment obligations should substantial circumstances beyond the control of a participant warrant such exceptions. Such substantial circumstances include, but are not limited to: (1) a participant experiencing unforeseen emergencies or hardships that substantially affect the participant's ability to complete their service obligations; or (2) the participant is a service member of the armed forces, or is a spouse or dependent of a service member, who receives permanent change of station or deployment orders to move out-of-state or to a location that would create a hardship to complete the participant's service obligations.

The Office is required to reduce, or help to reduce, barriers that threaten a participant's ability to complete their service obligations by offering wraparound services such as navigation support for public benefits, financial coaching, and access to food, housing, and childcare resources and referrals.

**Votes on Final Passage:**

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| House  | 95 | 0 |
| Senate | 48 | 0 |

**Effective:** July 23, 2023