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**SUBSTITUTE HOUSE BILL 1229**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representatives Fraser, Prince, Jacobsen, Belcher, Sheldon, Ogden, Moyer, Ludwig, Morris, Brekke, Spanel and Rasmussen).

Read first time February 13, 1991.

1            AN ACT Relating to mental health practitioners' loan repayment  
2 program; adding a new chapter to Title 28B RCW; and creating a new  
3 section.

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

5            NEW SECTION.    **Sec. 1.**    The legislature finds that significant  
6 changes occurring in the mental health profession and changes in the  
7 demography of the national population have resulted in a shortage of  
8 mental health practitioners. This has dramatically reduced the quality  
9 of mental health care in the state of Washington, particularly for the  
10 mentally ill populations defined in chapter 71.24 RCW.

11           NEW SECTION.    **Sec. 2.**    Unless the context clearly requires  
12 otherwise, the definitions in this section apply throughout this  
13 chapter.

1 (1) "Community mental health program" means the total mental health  
2 program established by a county or group of counties acting in  
3 combination for the purpose of providing mental health services in  
4 accordance with the community mental health services act, chapter 71.24  
5 RCW.

6 (2) "Mental health practitioner" means a regularly employed staff  
7 member or supervisor engaged in providing direct evaluative,  
8 diagnostic, or therapeutic services to consumers of mental health  
9 services provided by an agency licensed under chapter 71.24 RCW.

10 (3) "Loan repayment" means a loan that is paid in full or in part  
11 if the participant renders service in a community mental health program  
12 as defined in chapter 71.24 RCW located in a mental health shortage  
13 area.

14 (4) "Participant" means a mental health practitioner who has  
15 commenced practice as a provider for mentally ill persons as defined in  
16 chapter 71.24 RCW, in a community mental health program located in a  
17 mental health shortage area.

18 (5) "Board" means the higher education coordinating board.

19 (6) "Mental health shortage areas" means those areas where mental  
20 health practitioners are in short supply, or where vacancies exist in  
21 serious numbers that jeopardize patient care and pose a threat to the  
22 public health and safety, as determined by the department of social and  
23 health services and including but not limited to rural areas.

24 (7) "Satisfied" means paid-in-full.

25 (8) "Service obligation" means rendering service as a mental health  
26 practitioner in a community mental health program, as defined in  
27 chapter 71.24 RCW, located in a mental health shortage area.

28 NEW SECTION. **Sec. 3.** The mental health practitioners' loan  
29 repayment program is established for mental health practitioners

1 serving in mental health shortage areas. The program shall be  
2 administered by the board. In administering this program, the board  
3 shall have the following duties:

4 (1) Select mental health practitioners to participate in the loan  
5 repayment program;

6 (2) Adopt rules to administer the program;

7 (3) Publicize the program; and

8 (4) Facilitate collection and acceptance of grants and donations  
9 from public and private sources for the program.

10 NEW SECTION. **Sec. 4.** The board shall establish a planning  
11 committee to assist it in developing criteria for the selection of  
12 participants. The board shall, at a minimum, include on the planning  
13 committee: Representatives from regional support networks, mental  
14 health service providers, consumers, advocates, underserved  
15 populations, community residential services, the department of social  
16 and health services, and the state board for community college  
17 education.

18 NEW SECTION. **Sec. 5.** The board may grant loan repayment awards  
19 to eligible participants from the funds appropriated for this purpose,  
20 or from any private or public funds given to the board for this  
21 purpose. The amount of the loan repayment shall not exceed three  
22 thousand dollars per year for a maximum of five years. The board may  
23 establish awards of less than three thousand dollars per year based  
24 upon reasonable levels of expenditures for each of the mental health  
25 professions covered by this chapter. Participants in the mental health  
26 practitioners' conditional scholarship program are ineligible to  
27 receive assistance from the program authorized by this chapter.

1        NEW SECTION.    **Sec. 6.**    Participants    in    the    mental    health  
2 practitioners' loan repayment program shall receive payment from the  
3 program for the purpose of repaying educational loans secured while  
4 attending a program of mental health practitioner training which led to  
5 employment as a mental health practitioner in the state of Washington.

6        (1) Participants shall agree to serve as a mental health  
7 practitioner for at least five years in a community mental health  
8 program located in a mental health shortage area.

9        (2) Repayment shall be limited to eligible educational loans as  
10 determined by the board and shall include principal and interest.

11       (3) Loans from both government and private sources may be repaid by  
12 the program. Participants shall agree to allow the board access to  
13 loan records and to acquire information from lenders necessary to  
14 verify eligibility and to determine payments. Loans may not be  
15 renegotiated with lenders to accelerate repayment.

16       (4) Repayment of loans established pursuant to this program shall  
17 begin no later than ninety days after the individual has become a  
18 participant. Payments shall be made quarterly, or more frequently if  
19 deemed appropriate by the board, to the participant until the loan is  
20 repaid or the participant becomes ineligible due to discontinued  
21 service in a mental health shortage area or after the fifth year of  
22 services when eligibility discontinues, whichever comes first.

23       (5) Should the participant discontinue service in a mental health  
24 shortage area payments against the loans of the participants shall  
25 cease to be effective on the date that the participant discontinues  
26 service.

27       (6) Except for circumstances beyond their control, participants who  
28 serve less than five years shall be obligated to repay to the program  
29 an amount equal to the total amount paid by the program on their  
30 behalf, plus interest, in addition to any payments on the unsatisfied

1 portion of the principal and interest. The period for repayment shall  
2 be five years and shall begin the first day of the next repayment  
3 quarter. The terms of the repayment, including deferral and rate of  
4 interest, shall be consistent with the terms of the federal guaranteed  
5 loan program. The board shall determine the applicability of this  
6 subsection.

7 (7) The board is responsible for the collection of payments made on  
8 behalf of participants from the participants who discontinue service  
9 before their five-year obligation. The board shall exercise due  
10 diligence in such collection, maintaining all necessary records to  
11 ensure that the maximum amount of payment made on behalf of the  
12 participant is recovered. Collection under this section shall be  
13 pursued using the full extent of the law, including wage garnishment if  
14 necessary.

15 (8) Receipts from the payment of principal or interest or any other  
16 subsidies to which the board as administrator is entitled that are paid  
17 by or on behalf of participants under this section shall be deposited  
18 with the board and shall be used to cover the costs of granting the  
19 loan repayments, maintaining necessary records, and making collections  
20 under subsection (7) of this section. The board shall maintain  
21 accurate records of these costs, and all receipts beyond those  
22 necessary to pay such costs shall be used to grant loan repayments to  
23 eligible students.

24 (9) The board shall not be held responsible for any outstanding  
25 payments on principal and interest to any lenders.

26 NEW SECTION. **Sec. 7.** No loan repayment awards may be granted  
27 after June 30, 1997, unless reauthorized by the legislature.

1        NEW SECTION.    **Sec. 8.**    Sections 2 through 7 of this act shall  
2    constitute a new chapter in Title 28B RCW.