

# HOUSE BILL REPORT

## HB 1504

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**As Reported by House Committee On:**

College & Workforce Development  
Appropriations

**Title:** An act relating to modifying the workforce education investment act to invest in new and existing behavioral health workforce programs.

**Brief Description:** Modifying the workforce education investment act.

**Sponsors:** Representatives Chopp, Simmons, Berry, Davis, Valdez, Wylie, Johnson, J., Ryu, Tharinger, Taylor, Goodman, Bergquist, Ramel, Peterson, Senn, Dolan, Ormsby, Duerr, Macri, Kloba, Callan, Morgan, Stonier, Pollet, Riccelli and Thai.

**Brief History:**

**Committee Activity:**

College & Workforce Development: 2/10/21, 2/15/21 [DPS];  
Appropriations: 2/18/21, 2/19/21 [DP2S(w/o sub CWD)].

**Brief Summary of Second Substitute Bill**

- Adds workforce education as an allowable use of the Workforce Education Investment Account.
- Requires the Health Care Authority to establish a behavioral health workforce pilot program and provide training support grants to community mental health and substance use disorder treatment providers.
- Increases the cap on state match dollars for the Washington State Opportunity Scholarship Advanced Degrees Pathways Account to \$2 million per biennium.

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**HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT**

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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.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Hansen, Paul, Pollet and Sells.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Hoff and Kraft.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Chandler.

**Staff:** Megan Mulvihill (786-7304).

**Background:**

Workforce Education Investment Surcharge and Account.

Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. A business may have more than one B&O tax rate depending on the types of activities conducted. The B&O tax rate for services and activities not classified elsewhere is 1.5 percent, but for businesses earning more than \$1 million annually the B&O service rate is 1.75 percent. Advanced computing businesses with a worldwide gross income in excess of \$25 billion are subject to an additional 1.22 percent surcharge. An advanced computing business is one that designs or develops software or computer hardware, including modifications, or provides cloud computing services, operates an online marketplace, an online search engine, or an online social networking platform. The total surcharge an advanced computing business is subject to is capped at \$9 million per year.

All revenues from the advanced computing business surcharge and the additional 0.25 percent tax rate on businesses earning more than \$1 million annually are deposited into the Workforce Education Investment Account (WEIA). The WEIA may only be used for higher education programs, higher education operations, higher education compensation, and state-funded student aid programs.

Community Behavioral Health.

The Health Care Authority (HCA) is the state behavioral health authority and manages the community behavioral health system for clients enrolled in the Medicaid program, called Apple Health in Washington. Community mental health agencies often serve as training sites for professionals seeking supervision hours to meet licensure requirements. A credentialed individual seeking one or more of the common behavioral health related licenses in Washington must complete anywhere from 1,500 to 4,000 hours of supervised practice. These individuals must also find an appropriately credentialed and licensed professional who is willing to act as their supervisor over this period of time.

Washington Health Corps.

The Washington Health Corps consists of the Health Professional Loan Repayment and the Behavioral Health Loan Repayment programs. The programs provide licensed professionals with student loan repayment if the professional agrees to serve in an underserved area with a identified shortage. The programs provide up to \$75,000 in loan repayment for a minimum three-year service obligation.

Washington State Opportunity Scholarship.

The Washington State Opportunity Scholarship (WSOS) is a public-private match program in which the state matches any private donations to fund scholarships in high-demand fields. The WSOS has three scholarship programs: Career and Technical Education, Baccalaureate, and Graduate. The Graduate Scholarship Program will begin accepting applications for the 2021-22 academic year for students pursuing a Doctor of Nursing Practice or a Master of Science in Nursing degree. The Graduate Scholarship Program's state match is capped at \$1 million per biennium.

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**Summary of Substitute Bill:**

Workforce Education Investment Account.

Workforce education is added as an allowable use for the Workforce Education Investment Account.

Behavioral Health Workforce Pilot Program and Training Support Grants.

The HCA must establish a behavioral health workforce pilot program and training support grants for community mental health and substance use disorder treatment providers. The HCA must implement the pilot program and training support grants in partnership with and through the Accountable Communities of Health or the University of Washington Behavioral Health Institute.

The pilot program's purpose is to provide incentive pay for individuals serving as clinical supervisors within community behavioral health agencies. The HCA must ensure the pilot program covers three sites serving primarily Medicaid clients in both eastern and western Washington. Of those three sites, one must specialize in the delivery of behavioral health services for Medicaid enrolled children and one must offer substance use disorder treatment services. The HCA must report to the Legislature and the Office of Financial Management by September 30, 2023, on the pilot program's outcomes. The report must include:

- a description of the mechanism for incentivizing supervisor pay and other strategies used at each of the sites;
- the number of supervisors that received bonus pay at each site;
- the number of students or prelicensure clinicians that received supervision at each site;
- the number of supervision hours provided at each site;
- initial reporting on the number of students or prelicensure clinicians who received supervision through the pilot programs that moved into a permanent position with the

- pilot program or another community behavioral health program in Washington at the end of their supervision;
- identification of options for establishing enhanced supervisor pay through managed care organization payments to behavioral health providers; and
  - recommendations for individual site policy and practice implications for statewide implementation.

In addition to the pilot program, the HCA must establish a grant program for mental health and substance use disorder providers that provides flexible funding for training and mentoring clinicians who serve children and youth. The HCA must consult with stakeholders, including behavioral health experts in services for children, youth, providers, and consumers, to develop guidelines for how the funding could be used. These uses must focus on evidence-based and promising practices, continuing education requirements, and quality monitoring infrastructure.

Washington Health Corps.

The Office of Student Financial Assistance under the Washington Student Achievement Council and the Department of Health are to prioritize a portion of nonfederal funding in the Health Professional Loan Repayment program for applications that reflect demographically underrepresented populations.

Washington State Opportunity Scholarship.

The cap limiting state match dollars for the WSOS Advanced Degrees Pathways Account is increased to \$2 million.

**Substitute Bill Compared to Original Bill:**

The substitute bill removes the increase on the Workforce Education Investment Surcharge cap. In addition, the cap limiting state match dollars for the WSOS was increased to \$2 million, rather than being eliminated. Last, additional behavioral health professions were listed in the intent section and in the behavioral health workforce pilot program.

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**Appropriation:** The sum of \$4 million is appropriated from the Workforce Education Investment Account for the Behavioral Health Loan Repayment Program, and the sum of \$900,000 is appropriated from the Workforce Education Investment Act for the Health Care Authority to administer the Behavioral Health Workforce Pilot Program and Training Support Grants.

**Fiscal Note:** Requested on February 15, 2021.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **Staff Summary of Public Testimony:**

(In support) The state is witnessing a compelling and urgent need for health care for mental and substance use disorders. The need for these services outstretches the current capacity, and the state will need many additional health care workers. This workforce must be created and supported with significant investments. To improve the chances for success, the state must build upon past success with the Workforce Education Investment Act. Doing so demonstrates the state's priority to mental health issues during the pandemic. These investments support people who provide vital, lifesaving services. The proposal is a good start, but the state should consider affordable or free education. Providers have to pay down extremely high student loans because it is so expensive to get the education. Loan repayment assistance helps people work in safety net settings, and the change to the criteria will help recruit providers that reflect the communities they serve. Clinical supervision is a huge bottleneck. Clinical supervision is important, but it is a hard job for too little pay. The pilot program would incentivize this, but it should include master-level clinicians.

(Opposed) None.

**Persons Testifying:** Representative Chopp, prime sponsor; Sai Samineni, Dream Investment Strategies Inc; Chris Kaasa, Washington Association for Community Health; and Dane Austreng, Service Employees International Union Healthcare 1199NW.

**Persons Signed In To Testify But Not Testifying:** None.

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## **HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on College & Workforce Development. Signed by 23 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Harris, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

**Minority Report:** Without recommendation. Signed by 10 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Dye, Hoff and Jacobsen.

**Staff:** Kate Henry (786-7349).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On College & Workforce Development:**

The Appropriations Committee recommended removing appropriations within the bill and

adding a null and void clause.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 23, 2021.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) Mental health must be a priority, we are witnessing too many individuals facing mental illness and substance use disorders. Counselors, nurse practitioners, psychiatrists, and mental health advocates are just some of the needs in the workforce. These new investments would coordinate a comprehensive approach to address a crucial problem. The bill would allow for opportunities to pursue different pathways as a mental health professional. Washington is ranked very low for access to service providers, specifically to providers of color. The mental health providers should mirror the demographics of the population that is served. Every day people are depending on service providers to help them work through hard topics, the bill sees that we all need help sometimes.

(Opposed ) None.

**Persons Testifying:** Representative Chopp, prime sponsor; Phoebe Walker, Associated Students of the University of Washington—Seattle; and Sam Locke, Associated Students of the University of Washington—Bothell.

**Persons Signed In To Testify But Not Testifying:** None.