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**SECOND SUBSTITUTE HOUSE BILL 1504**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Appropriations (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 02/22/21.

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; and creating new sections.

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.** A new section is added to chapter 28B.115  
37 RCW to read as follows:

38 The office and the department of health shall prioritize a  
39 portion of any nonfederal balances in the health professional loan

1 repayment and scholarship program fund for conditional loan repayment  
2 contracts for applications that reflect demographically  
3 underrepresented populations. Loan repayment contracts may include  
4 services provided in the community or at a designated site.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 71.24  
6 RCW to read as follows:

7 Subject to the availability of amounts appropriated for this  
8 specific purpose, the authority shall establish a behavioral health  
9 workforce pilot program and training support grants for community  
10 mental health providers including, but not limited to, clinical  
11 social workers, licensed mental health counselors, licensed marriage  
12 and family therapists, clinical psychologists, and substance abuse  
13 treatment providers. The authority must implement these services in  
14 partnership with and through the regional accountable communities of  
15 health or the University of Washington behavioral health institute.

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

26 (b) The authority must provide a report to the office of  
27 financial management and the appropriate committees of the  
28 legislature by September 30, 2023, on the outcomes of the pilot  
29 program. The report must include:

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

32 (ii) The number of supervisors that received bonus pay at each  
33 site;

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

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

37 (v) Initial reporting on the number of students or prelicensure  
38 clinicians who received supervision through the pilot programs that  
39 moved into a permanent position with the pilot program or another

1 community behavioral health program in Washington state at the end of  
2 their supervision;

3 (vi) Identification of options for establishing enhancement of  
4 supervisor pay through managed care organization payments to  
5 behavioral health providers; and

6 (vii) Recommendations of individual site policy and practice  
7 implications for statewide implementation.

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

17 **Sec. 4.** RCW 28B.145.030 and 2019 c 406 s 65 are each amended to  
18 read as follows:

19 (1) The program administrator shall provide administrative  
20 support to execute the duties and responsibilities provided in this  
21 chapter, including but not limited to publicizing the program,  
22 selecting participants for the opportunity scholarship award,  
23 distributing opportunity scholarship awards, and achieving the  
24 maximum possible rate of return on investment of the accounts in  
25 subsection (2) of this section, while ensuring transparency in the  
26 investment decisions and processes. Duties, exercised jointly with  
27 the board, include soliciting funds and setting annual fund-raising  
28 goals. The program administrator shall be paid an administrative fee  
29 as determined by the board.

30 (2) With respect to the opportunity scholarship program, the  
31 program administrator shall:

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

36 (b) Solicit and accept grants and contributions from private  
37 sources, via direct payment, pledge agreement, or escrow account, of  
38 private sources for deposit into any of the specified accounts

1 created in this subsection (2)(b) upon the direction of the donor and  
2 in accordance with this subsection (2)(b):

3 (i) The "scholarship account," whose principal may be invaded,  
4 and from which scholarships must be disbursed for baccalaureate  
5 programs beginning no later than December 1, 2011, if, by that date,  
6 state matching funds in the amount of five million dollars or more  
7 have been received. Thereafter, scholarships shall be disbursed on an  
8 annual basis beginning no later than May 1, 2012, and every October  
9 1st thereafter;

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

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

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

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

25 (B) The state appropriations for the Washington college grant  
26 program under chapter 28B.92 RCW meet or exceed state appropriations  
27 for the state need grant made in the 2011-2013 biennium, adjusted for  
28 inflation, and eligibility for Washington college grant recipients is  
29 at least seventy percent of state median family income;

30 (v) An amount equal to at least fifty percent of all grants and  
31 contributions must be deposited into the scholarship account until  
32 such time as twenty million dollars have been deposited into the  
33 scholarship account, after which time the private donors may  
34 designate whether their contributions must be deposited to the  
35 scholarship account, the student support pathways account, the  
36 advanced degrees pathways account, or the endowment account. The  
37 board and the program administrator must work to maximize private  
38 sector contributions to these accounts to maintain a robust  
39 scholarship program while simultaneously building the endowment, and  
40 to determine the division between the accounts in the case of

1 undesignated grants and contributions, taking into account the need  
2 for a long-term funding mechanism and the short-term needs of  
3 families and students in Washington. The first five million dollars  
4 in state match, as provided in RCW 28B.145.040, shall be deposited  
5 into the scholarship account and thereafter the state match shall be  
6 deposited into the specified accounts created in this subsection  
7 (2)(b) in equal proportion to the private funds deposited in each  
8 account, except that no more than (~~one million dollars~~) \$2,000,000  
9 in state match shall be deposited into the advanced degrees pathways  
10 account in a single fiscal biennium; and

11 (vi) Once moneys in the opportunity scholarship match transfer  
12 account are subject to an agreement under RCW 28B.145.050(5) and are  
13 deposited in the scholarship account, the student support pathways  
14 account, the advanced degrees pathways account, or the endowment  
15 account under this section, the state acts in a fiduciary rather than  
16 ownership capacity with regard to those assets. Assets in the  
17 scholarship account, the student support pathways account, the  
18 advanced degrees pathways account, and the endowment account are not  
19 considered state money, common cash, or revenue to the state;

20 (c) Provide proof of receipt of grants and contributions from  
21 private sources to the council, identifying the amounts received by  
22 name of private source and date, and whether the amounts received  
23 were deposited into the scholarship account, the student support  
24 pathways account, the advanced degrees pathways account, or the  
25 endowment account;

26 (d) In consultation with the council and the state board for  
27 community and technical colleges, make an assessment of the  
28 reasonable annual eligible expenses associated with eligible  
29 education programs and eligible advanced degree programs identified  
30 by the board;

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

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

37 (g) Ensure that if the private source is from a federally  
38 recognized Indian tribe, municipality, or county, an amount at least  
39 equal to the value of the private source plus the state match is  
40 awarded to participants within that federally recognized Indian

1 tribe, municipality, or county according to the federally recognized  
2 Indian tribe's, municipality's, or county's program rules;

3 (h) Determine the annual amount of the opportunity scholarship  
4 for each selected participant. The annual amount shall be at least  
5 one thousand dollars or the amount determined under (e) of this  
6 subsection, but may be increased on an income-based, sliding scale  
7 basis up to the amount necessary to cover all reasonable annual  
8 eligible expenses as assessed pursuant to (d) of this subsection, or  
9 to encourage participation in professional-technical certificate  
10 programs, professional-technical degree programs, baccalaureate  
11 degree programs, or eligible advanced degree programs identified by  
12 the board;

13 (i) Distribute scholarship funds to selected participants. Once  
14 awarded, and to the extent funds are available for distribution, an  
15 opportunity scholarship shall be automatically renewed as long as the  
16 participant annually submits documentation of filing both a free  
17 application for federal student aid (FAFSA) and for available federal  
18 education tax credits including, but not limited to, the American  
19 opportunity tax credit, or if ineligible to apply for federal student  
20 aid, the participant annually submits documentation of filing a state  
21 financial aid application as approved by the office of student  
22 financial assistance; and until the participant withdraws from or is  
23 no longer attending the program, completes the program, or has taken  
24 the credit or clock hour equivalent of one hundred twenty-five  
25 percent of the published length of time of the participant's program,  
26 whichever occurs first;

27 (j) Notify institutions of scholarship recipients who will attend  
28 their institutions and inform them of the terms of the students'  
29 eligibility; and

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

32 (3) With respect to the opportunity expansion program, the  
33 program administrator shall:

34 (a) Assist the board in developing and implementing an  
35 application, selection, and notification process for making  
36 opportunity expansion awards; and

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

1       **Sec. 5.** RCW 43.79.195 and 2020 c 2 s 2 are each amended to read  
2 as follows:

3       (1) The workforce education investment account is created in the  
4 state treasury. All revenues from the workforce investment surcharge  
5 created in RCW 82.04.299 and those revenues as specified under RCW  
6 82.04.290(2)(c) must be deposited directly into the account. Moneys  
7 in the account may be spent only after appropriation. Expenditures  
8 from the account may be used only for higher education programs,  
9 higher education operations, higher education compensation, ~~((and))~~  
10 state-funded student aid programs, and workforce development. ~~((For~~  
11 ~~the 2019-2021 biennium, expenditures from the account may be used for~~  
12 ~~kindergarten through twelfth grade if used for career connected~~  
13 ~~learning as provided for in chapter 406, Laws of 2019.))~~

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

17       NEW SECTION.   **Sec. 6.** If specific funding for the purposes of  
18 this act, referencing this act by bill or chapter number, is not  
19 provided by June 30, 2021, in the omnibus appropriations act, this  
20 act is null and void.

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