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HOUSE BILL 1504

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State of Washington

67th Legislature

2021 Regular Session

**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 02/08/21. Referred to Committee on College & Workforce Development.

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, 43.79.195, and 82.04.299; adding  
4 a new section to chapter 28B.115 RCW; adding a new section to chapter  
5 71.24 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 and pharmacists;
- 20 (6) Substance use disorder professionals;
- 21 (7) Community mental health workers; and
- 22 (8) Social workers.

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

32 NEW SECTION. **Sec. 2.** The sum of \$2,000,000, or as much thereof  
33 as may be necessary, is appropriated for the fiscal year ending June  
34 30, 2022, from the workforce education investment account, and the  
35 sum of \$2,000,000, or as much thereof as may be necessary, is  
36 appropriated for the fiscal year ending June 30, 2023, from the  
37 workforce education investment account provided solely to the student  
38 achievement council for the purposes of increasing loan repayment  
39 awards within the behavioral health loan repayment program.

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

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

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

11        The authority shall establish a behavioral health workforce pilot  
12    program and training support grants for community mental health and  
13    substance abuse treatment providers. The authority must implement  
14    these services in partnership with and through the regional  
15    accountable communities of health or the University of Washington  
16    behavioral health institute.

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

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

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

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

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

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

38        (v) Initial reporting on the number of students or prelicensure  
39    clinicians who received supervision through the pilot programs that

1 moved into a permanent position with the pilot program or another  
2 community behavioral health program in Washington state at the end of  
3 their supervision;

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

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

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

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

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

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

36 (2) With respect to the opportunity scholarship program, the  
37 program administrator shall:

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

5 (b) Solicit and accept grants and contributions from private  
6 sources, via direct payment, pledge agreement, or escrow account, of  
7 private sources for deposit into any of the specified accounts  
8 created in this subsection (2)(b) upon the direction of the donor and  
9 in accordance with this subsection (2)(b):

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

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

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

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

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

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

37 (v) An amount equal to at least fifty percent of all grants and  
38 contributions must be deposited into the scholarship account until  
39 such time as twenty million dollars have been deposited into the  
40 scholarship account, after which time the private donors may

1 designate whether their contributions must be deposited to the  
2 scholarship account, the student support pathways account, the  
3 advanced degrees pathways account, or the endowment account. The  
4 board and the program administrator must work to maximize private  
5 sector contributions to these accounts to maintain a robust  
6 scholarship program while simultaneously building the endowment, and  
7 to determine the division between the accounts in the case of  
8 undesignated grants and contributions, taking into account the need  
9 for a long-term funding mechanism and the short-term needs of  
10 families and students in Washington. The first five million dollars  
11 in state match, as provided in RCW 28B.145.040, shall be deposited  
12 into the scholarship account and thereafter the state match shall be  
13 deposited into the specified accounts created in this subsection  
14 (2)(b) in equal proportion to the private funds deposited in each  
15 account(~~(, except that no more than one million dollars in state~~  
16 ~~match shall be deposited into the advanced degrees pathways account~~  
17 ~~in a single fiscal biennium)); and~~

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

27 (c) Provide proof of receipt of grants and contributions from  
28 private sources to the council, identifying the amounts received by  
29 name of private source and date, and whether the amounts received  
30 were deposited into the scholarship account, the student support  
31 pathways account, the advanced degrees pathways account, or the  
32 endowment account;

33 (d) In consultation with the council and the state board for  
34 community and technical colleges, make an assessment of the  
35 reasonable annual eligible expenses associated with eligible  
36 education programs and eligible advanced degree programs identified  
37 by the board;

38 (e) Determine the dollar difference between tuition fees charged  
39 by institutions of higher education in the 2008-09 academic year and

1 the academic year for which an opportunity scholarship is being  
2 distributed;

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

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

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

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

35 (j) Notify institutions of scholarship recipients who will attend  
36 their institutions and inform them of the terms of the students'  
37 eligibility; and

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

1 (3) With respect to the opportunity expansion program, the  
2 program administrator shall:

3 (a) Assist the board in developing and implementing an  
4 application, selection, and notification process for making  
5 opportunity expansion awards; and

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

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

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

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

24 **Sec. 8.** RCW 82.04.299 and 2020 c 2 s 4 are each amended to read  
25 as follows:

26 (1)(a) Beginning with business activities occurring on or after  
27 April 1, 2020, in addition to the taxes imposed under RCW  
28 82.04.290(2), a workforce education investment surcharge is imposed  
29 on select advanced computing businesses. The surcharge is equal to  
30 the gross income of the business subject to the tax under RCW  
31 82.04.290(2), multiplied by the rate of 1.22 percent.

32 (b) Except as provided in (e) of this subsection (1), in no case  
33 will the combined surcharge imposed under this subsection (1) paid by  
34 all members of an affiliated group be more than ~~((nine million~~  
35 ~~dollars))~~ \$20,000,000 annually.

36 (c) For persons subject to the surcharge imposed under this  
37 subsection (1) that report under one or more tax classifications, the



1 surcharge applies only to business activities taxed under RCW  
2 82.04.290(2).

3 (d) The surcharge imposed under this subsection (1) must be  
4 reported and paid on a quarterly basis in a manner as required by the  
5 department. Returns and amounts payable under this subsection (1) are  
6 due by the last day of the month immediately following the end of the  
7 reporting period covered by the return. All other taxes must be  
8 reported and paid as required under RCW 82.32.045.

9 (e) (i) To aid in the effective administration of the surcharge in  
10 this subsection (1), the department may require persons believed to  
11 be engaging in advanced computing or affiliated with a person  
12 believed to be engaging in advanced computing to disclose whether  
13 they are a member of an affiliated group and, if so, to identify all  
14 other members of the affiliated group subject to the surcharge.

15 (ii) If the department establishes, by clear, cogent, and  
16 convincing evidence, that one or more members of an affiliated group,  
17 with intent to evade the surcharge under this subsection (1), failed  
18 to fully comply with this subsection (1)(e), the department must  
19 assess against that person, or those persons collectively, a penalty  
20 equal to fifty percent of the amount of the total surcharge payable  
21 by all members of that affiliated group for the calendar year during  
22 which the person or persons failed to fully comply with this  
23 subsection (1)(e). The penalty under this subsection (1)(e) is in  
24 lieu of and not in addition to the evasion penalty under RCW  
25 82.32.090(7).

26 (f) For the purposes of this subsection (1) the following  
27 definitions apply:

28 (i) "Advanced computing" means designing or developing computer  
29 software or computer hardware, whether directly or contracting with  
30 another person, including modifications to computer software or  
31 computer hardware, cloud computing services, or operating an online  
32 marketplace, an online search engine, or online social networking  
33 platform;

34 (ii) "Affiliate" and "affiliated" means a person that directly or  
35 indirectly, through one or more intermediaries, controls, is  
36 controlled by, or is under common control with another person;

37 (iii) "Affiliated group" means a group of two or more persons  
38 that are affiliated with each other;

1 (iv) "Cloud computing services" means on-demand delivery of  
2 computing resources, such as networks, servers, storage,  
3 applications, and services, over the internet;

4 (v) "Control" means the possession, directly or indirectly, of  
5 more than fifty percent of the power to direct or cause the direction  
6 of the management and policies of a person, whether through the  
7 ownership of voting shares, by contract, or otherwise; and

8 (vi) "Select advanced computing business" means a person who is a  
9 member of an affiliated group with at least one member of the  
10 affiliated group engaging in the business of advanced computing, and  
11 the affiliated group has worldwide gross revenue of more than twenty-  
12 five billion dollars during the immediately preceding calendar year.  
13 A person who is primarily engaged within this state in the provision  
14 of commercial mobile service, as that term is defined in 47 U.S.C.  
15 Sec. 332(d)(1), shall not be considered a select advanced computing  
16 business. A person who is primarily engaged in this state in the  
17 operation and provision of access to transmission facilities and  
18 infrastructure that the person owns or leases for the transmission of  
19 voice, data, text, sound, and video using wired telecommunications  
20 networks shall not be considered a select advanced computing  
21 business. A person that is primarily engaged in business as a  
22 "financial institution" as defined in RCW 82.04.29004, as that  
23 section existed on January 1, 2020, shall not be considered a select  
24 advanced computing business. For purposes of this subsection  
25 (1)(f)(vi), "primarily" is determined based on gross income of the  
26 business.

27 (2) The workforce education investment surcharge under this  
28 section does not apply to any hospital as defined in RCW 70.41.020,  
29 including any hospital that comes within the scope of chapter 71.12  
30 RCW if the hospital is also licensed under chapter 70.41 RCW.

31 (3) Revenues from the surcharge under this section must be  
32 deposited directly into the workforce education investment account  
33 established in RCW 43.79.195.

34 (4) The department has the authority to determine through an  
35 audit or other investigation whether a person is subject to the  
36 surcharge imposed in this section.

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