

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1504

67th Legislature
2021 Regular Session

Passed by the House April 14, 2021
Yeas 60 Nays 37

**Speaker of the House of
Representatives**

Passed by the Senate April 10, 2021
Yeas 31 Nays 18

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1504** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1504

AS AMENDED BY THE SENATE

Passed Legislature - 2021 Regular Session

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 18.19.020, 28B.145.030, and 43.79.195; adding
4 a new section to chapter 28B.115 RCW; adding a new section to chapter
5 71.24 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, state hospitals, and other facilities
19 operated by the department of social and health services. The desired
20 outcomes of the pilot program include increased internships and entry
21 opportunities for new clinicians through recruitment and retention of
22 supervisors. The authority must ensure the pilot program covers three
23 sites serving primarily medicaid clients in both eastern and western
24 Washington. One of the sites must specialize in the delivery of
25 behavioral health services for medicaid enrolled children. Of the
26 remaining two sites, one must offer substance use disorder treatment
27 services.

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

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

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

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

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

1 (v) Initial reporting on the number of students or prelicensure
2 clinicians who received supervision through the pilot programs that
3 moved into a permanent position with the pilot program or another
4 community behavioral health program in Washington state at the end of
5 their supervision;

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

9 (vii) Recommendations of individual site policy and practice
10 implications for statewide implementation.

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

20 **Sec. 4.** RCW 18.19.020 and 2019 c 470 s 3 are each amended to
21 read as follows:

22 The definitions in this section apply throughout this chapter
23 unless the context clearly requires otherwise.

24 (1) "Agency" means (a) an agency or facility operated, licensed,
25 or certified by the state of Washington; (b) a federally recognized
26 Indian tribe located within the state; or (c) a county.

27 (2) "Agency affiliated counselor" means a person registered under
28 this chapter who is engaged in counseling and employed by an agency
29 or is a student intern, as defined by the department, who is
30 supervised by agency staff. "Agency affiliated counselor" includes
31 juvenile probation counselors who are employees of the juvenile court
32 under RCW 13.04.035 and 13.04.040 and juvenile court employees
33 providing functional family therapy, aggression replacement training,
34 or other evidence-based programs approved by the department of
35 children, youth, and families.

36 (3) "Certified adviser" means a person certified under this
37 chapter who is engaged in private practice counseling to the extent
38 authorized in RCW 18.19.200.

1 (4) "Certified counselor" means a person certified under this
2 chapter who is engaged in private practice counseling to the extent
3 authorized in RCW 18.19.200.

4 (5) "Client" means an individual who receives or participates in
5 counseling or group counseling.

6 (6) "Counseling" means employing any therapeutic techniques,
7 including but not limited to social work, mental health counseling,
8 marriage and family therapy, and hypnotherapy, for a fee that offer,
9 assist or attempt to assist an individual or individuals in the
10 amelioration or adjustment of mental, emotional, or behavioral
11 problems, and includes therapeutic techniques to achieve sensitivity
12 and awareness of self and others and the development of human
13 potential. For the purposes of this chapter, nothing may be construed
14 to imply that the practice of hypnotherapy is necessarily limited to
15 counseling.

16 (7) "Counselor" means an individual, practitioner, therapist, or
17 analyst who engages in the practice of counseling to the public for a
18 fee, including for the purposes of this chapter, hypnotherapists.

19 (8) "Department" means the department of health.

20 (9) "Hypnotherapist" means a person registered under this chapter
21 who is practicing hypnosis as a modality.

22 (10) "Private practice counseling" means the practice of
23 counseling by a certified counselor or certified adviser as specified
24 in RCW 18.19.200.

25 (11) "Psychotherapy" means the practice of counseling using
26 diagnosis of mental disorders according to the fourth edition of the
27 diagnostic and statistical manual of mental disorders, published in
28 1994, and the development of treatment plans for counseling based on
29 diagnosis of mental disorders in accordance with established practice
30 standards.

31 (12) "Secretary" means the secretary of the department or the
32 secretary's designee.

33 **Sec. 5.** RCW 28B.145.030 and 2019 c 406 s 65 are each amended to
34 read as follows:

35 (1) The program administrator shall provide administrative
36 support to execute the duties and responsibilities provided in this
37 chapter, including but not limited to publicizing the program,
38 selecting participants for the opportunity scholarship award,
39 distributing opportunity scholarship awards, and achieving the

1 maximum possible rate of return on investment of the accounts in
2 subsection (2) of this section, while ensuring transparency in the
3 investment decisions and processes. Duties, exercised jointly with
4 the board, include soliciting funds and setting annual fund-raising
5 goals. The program administrator shall be paid an administrative fee
6 as determined by the board.

7 (2) With respect to the opportunity scholarship program, the
8 program administrator shall:

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

13 (b) Solicit and accept grants and contributions from private
14 sources, via direct payment, pledge agreement, or escrow account, of
15 private sources for deposit into any of the specified accounts
16 created in this subsection (2)(b) upon the direction of the donor and
17 in accordance with this subsection (2)(b):

18 (i) The "scholarship account," whose principal may be invaded,
19 and from which scholarships must be disbursed for baccalaureate
20 programs beginning no later than December 1, 2011, if, by that date,
21 state matching funds in the amount of five million dollars or more
22 have been received. Thereafter, scholarships shall be disbursed on an
23 annual basis beginning no later than May 1, 2012, and every October
24 1st thereafter;

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

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

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

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

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

6 (v) An amount equal to at least fifty percent of all grants and
7 contributions must be deposited into the scholarship account until
8 such time as twenty million dollars have been deposited into the
9 scholarship account, after which time the private donors may
10 designate whether their contributions must be deposited to the
11 scholarship account, the student support pathways account, the
12 advanced degrees pathways account, or the endowment account. The
13 board and the program administrator must work to maximize private
14 sector contributions to these accounts to maintain a robust
15 scholarship program while simultaneously building the endowment, and
16 to determine the division between the accounts in the case of
17 undesignated grants and contributions, taking into account the need
18 for a long-term funding mechanism and the short-term needs of
19 families and students in Washington. The first five million dollars
20 in state match, as provided in RCW 28B.145.040, shall be deposited
21 into the scholarship account and thereafter the state match shall be
22 deposited into the specified accounts created in this subsection
23 (2)(b) in equal proportion to the private funds deposited in each
24 account, except that no more than (~~one million dollars~~) \$5,000,000
25 in state match shall be deposited into the advanced degrees pathways
26 account in a single fiscal biennium; and

27 (vi) Once moneys in the opportunity scholarship match transfer
28 account are subject to an agreement under RCW 28B.145.050(5) and are
29 deposited in the scholarship account, the student support pathways
30 account, the advanced degrees pathways account, or the endowment
31 account under this section, the state acts in a fiduciary rather than
32 ownership capacity with regard to those assets. Assets in the
33 scholarship account, the student support pathways account, the
34 advanced degrees pathways account, and the endowment account are not
35 considered state money, common cash, or revenue to the state;

36 (c) Provide proof of receipt of grants and contributions from
37 private sources to the council, identifying the amounts received by
38 name of private source and date, and whether the amounts received
39 were deposited into the scholarship account, the student support

1 pathways account, the advanced degrees pathways account, or the
2 endowment account;

3 (d) In consultation with the council and the state board for
4 community and technical colleges, make an assessment of the
5 reasonable annual eligible expenses associated with eligible
6 education programs and eligible advanced degree programs identified
7 by the board;

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

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

14 (g) Ensure that if the private source is from a federally
15 recognized Indian tribe, municipality, or county, an amount at least
16 equal to the value of the private source plus the state match is
17 awarded to participants within that federally recognized Indian
18 tribe, municipality, or county according to the federally recognized
19 Indian tribe's, municipality's, or county's program rules;

20 (h) Determine the annual amount of the opportunity scholarship
21 for each selected participant. The annual amount shall be at least
22 one thousand dollars or the amount determined under (e) of this
23 subsection, but may be increased on an income-based, sliding scale
24 basis up to the amount necessary to cover all reasonable annual
25 eligible expenses as assessed pursuant to (d) of this subsection, or
26 to encourage participation in professional-technical certificate
27 programs, professional-technical degree programs, baccalaureate
28 degree programs, or eligible advanced degree programs identified by
29 the board;

30 (i) Distribute scholarship funds to selected participants. Once
31 awarded, and to the extent funds are available for distribution, an
32 opportunity scholarship shall be automatically renewed as long as the
33 participant annually submits documentation of filing both a free
34 application for federal student aid (FAFSA) and for available federal
35 education tax credits including, but not limited to, the American
36 opportunity tax credit, or if ineligible to apply for federal student
37 aid, the participant annually submits documentation of filing a state
38 financial aid application as approved by the office of student
39 financial assistance; and until the participant withdraws from or is
40 no longer attending the program, completes the program, or has taken

1 the credit or clock hour equivalent of one hundred twenty-five
2 percent of the published length of time of the participant's program,
3 whichever occurs first;

4 (j) Notify institutions of scholarship recipients who will attend
5 their institutions and inform them of the terms of the students'
6 eligibility; and

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

9 (3) With respect to the opportunity expansion program, the
10 program administrator shall:

11 (a) Assist the board in developing and implementing an
12 application, selection, and notification process for making
13 opportunity expansion awards; and

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

16 **Sec. 6.** RCW 43.79.195 and 2020 c 2 s 2 are each amended to read
17 as follows:

18 (1) The workforce education investment account is created in the
19 state treasury. All revenues from the workforce investment surcharge
20 created in RCW 82.04.299 and those revenues as specified under RCW
21 82.04.290(2)(c) must be deposited directly into the account. Moneys
22 in the account may be spent only after appropriation. Expenditures
23 from the account may be used only for higher education programs,
24 higher education operations, higher education compensation, ~~((and))~~
25 state-funded student aid programs, and workforce development
26 including career connected learning as defined by RCW 28C.30.020.
27 ~~((For the 2019-2021 biennium, expenditures from the account may be~~
28 ~~used for kindergarten through twelfth grade if used for career~~
29 ~~connected learning as provided for in chapter 406, Laws of 2019.))~~

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

33 NEW SECTION. **Sec. 7.** If specific funding for the purposes of
34 this act, referencing this act by bill or chapter number, is not
35 provided by June 30, 2021, in the omnibus appropriations act, this
36 act is null and void.

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