
College & Workforce Development Committee

HB 1504

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 Summary of Bill

- Increases the cap for the Workforce Education Investment surcharge that is imposed on select advanced computing businesses from \$9 million annually to \$20 million annually.
- 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.
- Appropriates \$900,000 for the Behavioral Health Workforce Pilot Program and training support grants.
- Appropriates \$4 million for the biennium to the Behavioral Health Loan Repayment Program.
- Removes the \$1 million cap on state match dollars for the Washington State Opportunity Scholarship Advanced Degrees Pathways Account.

Hearing Date: 2/10/21

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.

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 .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.

Summary of Bill:

Workforce Education Investment Surcharge and Account.

The cap on the Workforce Education Investment surcharge for select advanced computing businesses of an affiliated group is increased from \$9 million annually to \$20 million annually. 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 \$1 million cap limiting state match dollars for the WSOS advanced degrees pathways account is removed.

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

Fiscal Note: Requested on February 8, 2021.

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