

Multiple Agency Fiscal Note Summary

Bill Number: 5498 S SB	Title: Nurse student loan repayment
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Student Achievement Council	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
Student Achievement Council	3.4	1,081,000	1,081,000	1,081,000	3.0	920,000	920,000	920,000	3.0	920,000	920,000	920,000
Student Achievement Council	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	3.4	1,081,000	1,081,000	1,081,000	3.0	920,000	920,000	920,000	3.0	920,000	920,000	920,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final 3/ 8/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 5498 S SB	Title: Nurse student loan repayment	Agency: 300-Department of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 02/14/2023
Agency Preparation: Sara Corbin	Phone: 360-902-8194	Date: 03/07/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 03/07/2023
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 03/08/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SSB 5498 creates the hospital-based nurse student loan repayment assistance program under the Washington health corps.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Cash receipts are indeterminate, however a portion of the DDA participation costs incurred to implement this legislation would be funded with federal Title XIX.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

5498 SSB will have an indeterminate fiscal impact to the Department of Social and Health Services (DSHS) as expenditures are dependent on appropriations, educational debt of awardees, and number of participants in the nurse student loan repayment assistance program.

Behavioral Health Administration (BHA) assumes that BHA’s Residential Treatment Facilities (RTF) are licensed under RCW 71.12 and as such are not excluded from the bill. Developmental Disabilities Administration (DDA) assumes that only nurses working in the nursing homes at the Residential Habilitation Center (RHC) are impacted by this bill. The current language does not require the RTFs and RHCs to offer the program, however the RTFs and RHCs could elect to participate in the nurse student loan program if funding was provided.

BHA and DDA cost illustration is based on fiscal impacts at 100 percent, 75 percent, 50 percent, and 25 percent of individuals participating in the nurse student loan repayment assistance program. Grand total illustration- \$6,290,000 at 100 percent, \$4,724,000 at 75 percent, \$3,210,000 at 50 percent, and \$1,567,000 at 25 percent.

BHA and DDA totals by job class:

Licensed Practical Nurses (LPN) - \$1,567,000 at 100 percent, \$1,170,000 at 75 percent, \$794,000 at 50 percent, and \$397,000 at 25 percent.

Advanced Registered Nurse Practitioner (ARNP) - \$374,000 at 100 percent, \$300,000 at 75 percent, \$225,000 at 50 percent, and \$75,000 at 25 percent.

Registered Nurse (RN)- \$4,349,000 at 100 percent, \$3,254,000 at 75 percent, \$2,191,000 at 50 percent, and \$1,095,000 at 25 percent.

Assumptions:

Number of Participants:

LPN - Total 75.0; DDA 75.0

ARNP - Total 5.0; BHA 1.0 and DDA 4.0

RN- Total 135.0; BHA 17.0 and DDA 118.0

Grand total for assumed participants - 215.0

Debt assumptions for BHA and DDA:

LPN Median Debt \$32,143
Debt Median at 130 percent \$41,786
50 percent of Debt Median \$20,893

ARNP Median Debt \$115,228
Debt Median at 130 percent \$149,796
50 percent of Debt Median \$74,898

RN Median Debt \$49,566
Debt Median at 130 percent \$64,436
50 percent of Debt Median \$32,218

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5498 S SB	Title: Nurse student loan repayment	Agency: 303-Department of Health
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 02/14/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/14/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/14/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/16/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The substitute bill changes the language from hospitals to participating employers to include hospitals, psychiatric hospitals, nursing homes, assisted living facilities, ambulatory surgical facilities, enhanced service facilities, federally qualified health centers, and school-based health centers. Additionally, it modifies the service obligation for participants. There is no change in fiscal impact.

The original bill created the nurse student loan repayment assistance program under the Washington Health Corps.

This bill does not require the Department of Health (department) or the Nursing Quality Assurance Commission (commission) to conduct any work or change any statutes. Additionally, facility participation is optional; consequently, regulation will not be impacted. Nurses licensed by the commission may be interested in the program, however, neither the department nor the commission have a role in establishing or administering this program, collecting or distributing funds. For these reasons there is no fiscal impact to the department or the commission.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5498 S SB	Title: Nurse student loan repayment	Agency: 340-Student Achievement Council
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
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Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.8	3.0	3.4	3.0	3.0
Account					
General Fund-State 001-1	621,000	460,000	1,081,000	920,000	920,000
Total \$	621,000	460,000	1,081,000	920,000	920,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: (360) 786-7433	Date: 02/14/2023
Agency Preparation: David Davis	Phone: 3607537854	Date: 02/16/2023
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 02/16/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/17/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Substitute SB 5498 differs from the original bill related to the Washington Student Achievement Council (WSAC) responsibilities as follows:

1. Expands "Participating Employers" that elect to participate in the program to the following:

- A nursing home licensed under chapter 18.52 RCW;
- An assisted living facility licensed under chapter 18.20 RCW;
- An ambulatory surgical facility licensed under chapter 70.230 RCW;
- An enhanced services facility licensed under chapter 70.97 RCW;
- A federally qualified health center
- A school-based health center.

Note, the original bill included hospitals licensed under chapter 70.41 RCW and psychiatric hospitals licensed under chapter 71.12 RCW. These are also included in this substitute version.

2. Does not require a 3-5 year service obligation.

3. Adds other employers to those exempt from 50% match (Sec. 3(4)(g)):

- Hospitals designated by Medicare as critical care access hospital
- Sole community hospital
- Medicare dependent hospitals

4. Eliminates the requirement that employer paid funds be returned to the hospital based nurse student loan repayment program account for use toward future obligations of the hospital match in the event a participant is unable to fulfill their commitment.

5. The program name under SSB 5498 is the "nurse student loan repayment assistance program" instead of the hospital based nurse student loan repayment assistance program.

These changes in the substitute bill do not impact this fiscal note.

Substitute SB 5498 adds a sub-program within the existing Washington Health Corps program that provides loan repayment for nurses employed by an eligible and participating employer (Section 2(16)).

To participate, eligible employers must agree to pay 50% of loan repayment awards. Critical access hospitals, sole community hospitals or hospitals designated as Medicare dependent as of January 1, 2022 are exempt from the 50% requirement (Section 4(5)).

Maximum annual awards for recipients would be calculated as outlined under Section 4(5) and would be based on median loan debt.

The Washington Student Achievement Council (WSAC) would administer the program as part of the established Washington Health Corps program.

The Nurse Student Loan Repayment Assistance Program account is created in the custody of the State Treasurer and all state appropriations and other receipts for this program must be deposited into the account.

WSAC is to authorize expenditures from this account (Section 7).

Per Section 9, this sub-program expires January 1, 2026.

This fiscal note describes administrative expenses that would be incurred by the Washington Student Achievement Council to administer a program of up to 1,000 recipients.
If the program grows, staffing levels would need to scale up accordingly.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Cash receipts are indeterminate as they are dependent on the level of program funding from state appropriations, contributions from participating employers, and other sources, as well as the number of contract breaches.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Expenditures are indeterminate, as they are dependent on appropriations, educational debt of awardees, participating and approved facilities, and the number of contract breaches.

The Washington Student Achievement Council would use existing Washington Health Corps infrastructure and program design where possible.

Adjustments to the program would be required in the following ways:

- Quarterly selection of recipients.
- The annual award amount shall be based on a calculation of 50 percent of the sum of the required monthly student loan payments for 130 percent of the median participating nurse's loan amount for the duration of the nurse's participation in the program.
- Recruitment of hospitals/facilities to participate in program.
- Collection of payment from hospitals/facilities.
- Fund management of payments.

WSAC also would hold one in-person planning committee meeting dedicated to the hospital/facility-based sub-program of Washington Health Corps at a cost of \$2,000 per meeting.

The following describes WSAC’s responsibilities and administrative expenses.

WSAC would:

- Establish award amounts
- Determine the service obligation
- Promote the availability of the program
- Recruit hospitals and other facilities to participate
- Run quarterly application and awarding cycles
- Award, fund and monitor service requirements for recipients
- Collect in the case of contract breaches
- Collect required 50% from participating hospitals/facilities
- Fund management
- Establish administrative rules

Staffing:

FY24: 2.0 FTE Program Manager, 0.8 FTE Associate Director, 0.8 FTE Software Developer, 0.1 FTE Communications

Specialist, and 0.1 FTE program coordinator. Total staffing cost (FY24): \$619,000

FY25 and beyond: 2.0 FTE Program Manager, 0.5 FTE Associate Director, 0.2 FTE Software Developer, and 0.3 FTE Program Coordinator. Total staffing cost (FY25 and ongoing): \$458,000 per year.

Expenses for one in-person meeting annually is \$2,000 per year (FY24 and ongoing)

The staffing and resources reflected in this analysis would accommodate a loan repayment program serving up to 1,000 loan recipients per year.

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	621,000	460,000	1,081,000	920,000	920,000
Total \$			621,000	460,000	1,081,000	920,000	920,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.8	3.0	3.4	3.0	3.0
A-Salaries and Wages	309,000	220,000	529,000	440,000	440,000
B-Employee Benefits	121,000	89,000	210,000	178,000	178,000
C-Professional Service Contracts					
E-Goods and Other Services	187,000	148,000	335,000	296,000	296,000
G-Travel	4,000	3,000	7,000	6,000	6,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	621,000	460,000	1,081,000	920,000	920,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Associate Director	101,000	0.8	0.5	0.7	0.5	0.5
Communications Consultant	79,000	0.1		0.1		
IT - Software Developer	101,000	0.8	0.2	0.5	0.2	0.2
Program Coordinator	49,000	0.1	0.3	0.2	0.3	0.3
Program Manager B	67,000	2.0	2.0	2.0	2.0	2.0
Total FTEs		3.8	3.0	3.4	3.0	3.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid & Grant Programs (030)	621,000	460,000	1,081,000	920,000	920,000
Total \$	621,000	460,000	1,081,000	920,000	920,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

The Washington Student Achievement Council will need to adopt administrative rules to conform with changes in statute.