



Protect Patient Safety & Access:

Establish the Hospital-Based Nurse Student Loan Repayment Assistance Program

Background

Washington is not immune to the nationwide nursing workforce crisis. Educating new nurses is necessary, but not sufficient, to solve our workforce crisis now. We also need to attract more already-trained nurses to Washington State.

According to the [Washington Center for Nursing](#), more than 55% of registered nurses in Washington State have a Bachelor of Science in Nursing (BSN) or higher. The [average student loan debt for a four-year degree](#), such as a BSN, is more than \$30,000. The standard monthly payment for a \$30,000 student loan is \$329 per month and would be paid off in 10 years. If a nurse has more student loan debt than can be paid off in 10 years, most hospital-based nurses would be eligible for Public Service Student Loan Forgiveness for the remainder of their debt.

Regardless of the total amount of debt, student loan payments create a substantial burden for nurses for the first 10 years after graduation, and 62% of Washington RNs were licensed within the last ten years.

WSHA Position

There are federal and state programs across the country that provide student loan repayment assistance for students in health care shortage areas, usually rural communities. While this remains important, every Washington hospital is experiencing a nursing workforce shortage. We propose creating the Washington State Hospital-Based Nurse Student Loan Repayment Assistance Program under the Washington Health Corps for registered nurses employed by hospitals in Washington State. This would benefit nurses who are not already receiving another form of student loan repayment assistance. Through a partnership between participating hospitals and the state, the program would pay half of 130% of the median hospital-based nurses' student loan payment for the duration of their service commitment, greatly easing the burden of student loans.

This would be a novel program that would make Washington a destination state for already-trained nurses. Our proposal requires participating hospitals – if they are not critical access, Medicare dependent or sole community hospitals – to fund 50% of the student loan repayment assistance provided to their employees under the program. This hospital-state partnership will allow the program to fund more student loan repayment assistance than a fully state-funded program.

Key Messages

We are experiencing a nationwide nursing workforce shortage, which puts hospital capacity and patient services at risk. It takes years to educate new nurses. Increasing the number of new nurses being educated is necessary but not sufficient to end our nursing shortage. We must also attract already-trained nurses to our state.

- Hospitals and the state would partner to become a destination state for already-trained nurses.
- This student loan repayment assistance would only be available to nurses directly employed — not on contract — by hospitals and would encourage nurses to work directly for hospitals.

Budget Ask

\$29.4 million state (\$49 million total)

Assumptions:

- RNs would only be eligible while they were directly employed by a Washington hospital.
- The program would pay no more than half of 130% of the median nurse's monthly student loan payment responsibility.
- Most participating hospitals would contribute 50% of the amount awarded to their employed nurses. Participating critical access hospitals and sole community hospitals would not be required to contribute to the program.
- The program would provide repayment assistance for no more than five years.
- Currently, roughly the same number of nurses graduate as retire each year (though we hope this program would attract more new nurses to our state).
- Approximately 40,000 Washington registered nurses work in hospitals.
- About 22,000 (55% of 40,000) have BSN degrees or higher and are likely to have the most debt.
- About 13,600 (62% of 22,000) earned their license within the last 10 years—prior to the time when Public Service Student Loan forgiveness would kick in for those employed by eligible employers.
- 130% of the median debt load for nurses is about \$39,000 with a \$407 monthly payment.
- If every hospital participated in the program and 10,000 signed up for it (about 74% of those likely to be eligible), and the program paid \$204/month (50% of a \$407/month payment), the program would cost \$49 million per biennium.
- About 20% of eligible nurses work in critical access hospitals or sole community hospitals, so under this model, the state would cover the full amount of the student loan repayment assistance, about \$9.8 million (20% of \$49 million per biennium).
- About 80% of eligible nurses work in hospitals that would contribute to loan repayment. If all those hospitals participated in the program and paid for half of the program's contribution to their employees, these hospitals and the state would each cover \$19.6 million (Half of 80% or 40% of \$49 million per biennium).
- In sum, the state would contribute \$29.4 million to the program (\$9.8 million for rural hospitals + \$19.6 million per biennium to match urban hospital payments).

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