

---

**SUBSTITUTE HOUSE BILL 1848**

---

**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representatives McIntire, Jarrett, Kenney, Cox, Tokuda, Ruderman, Conway, Santos, Ogden, McDermott, O'Brien, Wood and Schual-Berke)

Read first time . Referred to Committee on .

1 AN ACT Relating to earned income training credits; adding new  
2 sections to chapter 28B.10 RCW; making appropriations; and providing  
3 expiration dates.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.10 RCW  
6 to read as follows:

7 (1) Subject to legislative appropriation, the higher education  
8 coordinating board with the assistance of the state board for community  
9 and technical colleges, shall establish and administer an earned income  
10 training credit pilot project as provided in this section for eligible  
11 persons who received an earned income tax credit under the federal  
12 internal revenue code. The higher education coordinating board and the  
13 state board for community and technical colleges may adopt rules as  
14 necessary to implement this section.

15 (2) Eligible persons must be resident students as defined under RCW  
16 28B.15.012(2) (a) through (d), must have qualifying children, and have  
17 received an earned income tax credit under the federal internal revenue  
18 code.

1 (3) Eligible persons may receive earned income training credits in  
2 an amount equal to fifty percent of the earned income tax credits  
3 received in the previous three tax years, up to the maximum established  
4 in subsection (5) of this section.

5 (4) The higher education coordinating board shall award the earned  
6 income training credits and the financial aid supplement on a first-  
7 come, first-served basis, subject to available funding.

8 (5)(a) For each school year beginning with the 2001-02 school year,  
9 the higher education coordinating board shall determine the maximum  
10 amount that an eligible person may receive in earned income training  
11 credits, which shall equal six times the quarterly tuition, as defined  
12 in RCW 28B.15.020, for that school year at community colleges.

13 (b) An eligible person must have a minimum of one thousand dollars  
14 in training credits before the credits may be used.

15 (c) Earned income training credits are not transferable.

16 (6) Subject to available funding, earned income training credits  
17 may be used for tuition or job training.

18 (a) The training credit may be used for tuition at:

19 (i) An institution of higher education as defined in RCW  
20 28B.10.016, not including graduate level courses;

21 (ii) Any college, university, school, or institute in the state of  
22 Washington offering instruction beyond the high school level that is a  
23 member of an accrediting association recognized by rule of the higher  
24 education coordinating board; or

25 (iii) A private vocational school as defined in RCW 28C.10.060.

26 (b) The training credit may be used to reimburse a current or  
27 prospective employer who redeems the credits from the eligible person  
28 and agrees to provide training for the eligible person under a training  
29 contract entered into by the current or prospective employer, the  
30 employee, and an eligible training institution under the rules of the  
31 state board for community and technical colleges.

32 (i) The state board for community and technical colleges shall  
33 administer on-the-job training as part of the pilot program.

34 (ii) The training contract under this subsection (6)(b) must meet  
35 the state board for community and technical college's standards for  
36 training and must establish the monetary value of the training.

37 (iii) The employer participating under a contract to train an  
38 eligible person who is a current or prospective employee may be  
39 reimbursed for the on-the-job training provided under the contract in

1 an amount not exceeding the value of the training as established by the  
2 contract or the earned income training credits redeemed by the  
3 employer, whichever is less.

4 (iv) Twenty-five percent of funds set aside for training credits  
5 shall be used for on-the-job training under this subsection (6)(b).

6 (c) The higher education coordinating board shall transfer the  
7 necessary information about an eligible person applying the training  
8 credits under subsection (6)(b) to the state board for community and  
9 technical colleges.

10 (7) The state board for community and technical colleges shall  
11 adopt rules setting standards for defining the training and for  
12 establishing the value of the training under the training contract for  
13 employer reimbursement purposes.

14 (8) As required, the higher education coordinating board shall work  
15 with the department of revenue and the federal internal revenue service  
16 to determine a person's eligibility.

17 (9) If an eligible person is enrolled in a program of study of at  
18 least half-time, the person may receive state-subsidized child care and  
19 a financial aid supplement.

20 (a) The higher education coordinating board shall, in collaboration  
21 with the state board for community and technical colleges and the  
22 department of social and health services, connect an eligible person  
23 with state-subsidized child care in currently established programs.  
24 Persons receiving training or education under this section are eligible  
25 for working connections child care.

26 (b) A financial aid supplement shall be available for the unmet  
27 need after the receipt of training credits and the total financial aid  
28 awarded for the academic year to the student from federal, state, and  
29 institutional programs.

30 (i) The eligible person must be attending an institution eligible  
31 to participate in federal and state financial aid programs.

32 (ii) The eligible person must make satisfactory progress in a  
33 degree or certificate program as defined by the institution offering  
34 the program.

35 (iii) The financial aid supplement is subject to the maximum as set  
36 by the higher education coordinating board and shall not exceed two  
37 times the annual tuition at a public community college.

1 (c) If an eligible person with training credits is receiving  
2 tuition assistance from another source, he or she is still eligible for  
3 the financial aid supplement and child care under this subsection (9).

4 (10) Training credits shall be considered self-help for the  
5 purposes of financial aid and shall not reduce or supplant state and  
6 federal financial aid grants up to the amount of financial need.

7 (11) The higher education coordinating board shall work with the  
8 state board for community and technical colleges to promote the  
9 training program to potentially eligible persons as well as streamline  
10 the eligibility process.

11 (12) An amount not to exceed four percent of funds available for  
12 the earned income training credit program may be expended on agency  
13 administrative costs. Agency administrative costs are indirect  
14 expenses such as personnel, payroll, contract administration, fiscal  
15 services, and other overhead costs.

16 (13) The higher education coordinating board may transfer funds to  
17 the state board for community and technical colleges as necessary to  
18 accomplish the purpose of this section and section 2 of this act.

19 (14) This section expires June 30, 2003.

20 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW  
21 to read as follows:

22 (1) The higher education coordinating board shall, with the  
23 cooperation of the state board for community and technical colleges and  
24 the employment security department, report on the impact of section 1  
25 of this act to the work force training and education coordinating  
26 board, or a successor board, and the appropriate committees of the  
27 legislature by December 1, 2003. The report must include:

28 (a) The number of people receiving training;

29 (b) The cost of the training;

30 (c) The cost of program administration;

31 (d) For those persons whose credits were used for training at  
32 institutions of higher education under section 1 of this act:

33 (i) Their employment status;

34 (ii) The number of workers receiving tuition benefits by  
35 institution and general area of study;

36 (iii) Training outcomes, including indices of placement rates,  
37 student demographics, training plan completion rates, and comparisons  
38 of preprogram and postprogram wage levels; and

1 (iv) The number of people receiving a financial aid supplement and  
2 child care; and

3 (e) For those persons using the training credit for employee  
4 training under section 1 of this act, a report on:

5 (i) Their job and wage progression; and

6 (ii) The number of workers receiving training by industry, size of  
7 firm, and occupation.

8 (2) This section expires December 31, 2003.

9 NEW SECTION. **Sec. 3.** (1) The sum of three million dollars, or as  
10 much thereof as may be necessary, is appropriated for the fiscal year  
11 ending June 30, 2002, from the general fund-federal temporary  
12 assistance for needy families grant to the higher education  
13 coordinating board to carry out the purposes of this act.

14 (2) The sum of seven million dollars, or as much thereof as may be  
15 necessary, is appropriated for the fiscal year ending June 30, 2003,  
16 from the general fund-federal temporary assistance for needy families  
17 grant to the higher education coordinating board to carry out the  
18 purposes of this act.

--- END ---