
**Higher Education & Workforce
Education Committee**

HB 2630

Brief Description: Creating the opportunity grant program.

Sponsors: Representatives Kenney, Cox, Kessler, Priest, Conway, Hunter, Buri, Fromhold, Sells, Grant, Ormsby, Quall, Haigh, Clements, Roberts, Upthegrove, McDermott, Hasegawa, Santos, Flannigan, Appleton, Rodne, Clibborn, Simpson, Linville, Kagi, Dickerson, P. Sullivan, Morrell, Moeller, Ericks and Kilmer.

Brief Summary of Bill

- Directs the State Board for Community and Technical Colleges (SBCTC), with assistance, to identify high demand occupations using industry groups, and to develop skills-based credentials for high demand sectors.
- Directs the SBCTC to develop and implement the Opportunity Grant Program, with student enrollment to begin by January 1, 2007.
- Requires the Washington State Institute for Public Policy to conduct a study examining barriers to access and completion of workforce education and the costs and benefits of creating a K-14 education system in Washington.

Hearing Date: 1/19/06

Staff: Nina Oman (786-7152).

Background:

Seven different state agencies currently administer 18 state and federally-funded workforce programs in Washington. Yet in regular surveys of employers conducted by the Workforce Training and Education Coordinating Board, employers in the state consistently report difficulty in finding skilled workers for jobs requiring some postsecondary education, but less than a bachelor's degree.

Low-income students can apply for existing state and federal need-based aid. However, not all low-income students are eligible for need-based aid, and there is no guarantee that a student will receive aid to cover all of their costs.

Eligibility requirements for most need-based aid programs include enrollment in a degree or certificate program and at least half-time attendance (six credits or more). A pilot project implemented in 2005 expands state need grants on a limited basis to students enrolled for four or five credits. Eligibility for the State Need Grant was recently expanded to students with a family income equal to or less than 65 percent of the state median.

According to the Higher Education Coordinating Board, a total of \$615 million in need-based grants was provided to students in Washington during 2004-05. The State Need Grant is the largest state-funded financial aid program. For the 2004-05 academic year, the State Need Grant provided \$125 million to about 55,500 students attending public and independent higher education institutions.

The amount of need-based state aid provided to students is awarded using an estimated budget that includes tuition and fees, books and supplies, rent, food and utilities, transportation, and miscellaneous personal expenses. The total budget used to calculate annual costs for students in 2004-05, excluding tuition and fees, ranges from \$6,408 for a dependent student living with a parent to \$10,062 for a student who does not live with a parent.

Summary of Bill:

Skills-Based Credentials

The State Board for Community and Technical Colleges (SBCTC) with assistance from the Workforce Training and Education Coordinating Board and a nonprofit established to address workforce development issues:

- identifies high demand occupations--defined as those where employer demand exceeds the supply of qualified job applicants--with a priority on industry sectors important to the economic growth of the state;
- convenes or uses existing groups (such as industry skill panels or others) to identify the skills needed in high demand occupations;
- develops credentials based on skill sets needed in high demand areas that are recognized statewide by employers and postsecondary institutions;
- markets the credentials to students and employers; and
- gains recognition of the credentials by employers.

The SBCTC can accept contributions to carry out this work, which are deposited with the State Treasurer.

Opportunity Grants

The SBCTC develops and implements a workforce education program known as the Opportunity Grant Program. The SBCTC is to provide funding for low-income students enrolled in the program, including but not limited to tuition, books, fees, and childcare expenses.

The SBCTC begins developing the program no later than March 15, 2006, and enrolls students no later than January 1, 2007. A progress report is due to the Legislature by January 15, 2008.

The SBCTC can accept contributions to implement the program, which are deposited with the State Treasurer.

Washington State Institute for Public Policy Study (Institute)

The Institute conducts a study that includes:

- a review of and recommendations for consolidating and simplifying the delivery of state-funded and federally-funded workforce education programs and workforce education aid, with the goal of achieving easier access to these programs for students;
- a description of barriers to combining existing workforce programs and aid;
- an estimate of the funding gap between available workforce education financial aid and the financial needs of students (financial needs are defined as: tuition, fees, books, tools, childcare expenses, and living expenses);
- a description of barriers to access and completion of workforce programs for students;
- recommendations for increasing participation and completion rates in workforce programs; and
- the costs and benefits of creating a universal K-14 system in the state.

This study will be due to the Legislature by November 15, 2006. The Institute may accept contributions to carry out this work, which are deposited with the State Treasurer.

Appropriation: An appropriation of \$75,000 is provided to the SBCTC to develop skills-based credentials in high demand areas, and \$5 million to develop and implement the Opportunity Grant Program. An appropriation of \$75,000 is provided to the Institute to conduct the study.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.