

SENATE BILL REPORT

E2SHB 2630

As Reported By Senate Committee On:
Early Learning, K-12 & Higher Education, February 24, 2006
Ways & Means, February 27, 2006

Title: An act relating to postsecondary education, including creating the opportunity grant program.

Brief Description: Creating the opportunity grant program.

Sponsors: House Committee on Appropriations (originally sponsored by 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 History: Passed House: 2/09/06, 94-4.

Committee Activity: Early Learning, K-12 & Higher Education: 2/16/06, 2/24/06 [DPA-WM].

Ways & Means: 2/27/06 [DPA, w/oRec].

SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Weinstein, Vice Chair, Early Learning & K-12; Schmidt, Ranking Minority Member; Berkey, Carrell, Delvin, Eide, Kohl-Welles, Pflug, Rasmussen, Rockefeller, Schoesler and Shin.

Staff: Stephanie Yurcisin (786-7438)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Brandland, Kohl-Welles, Parlette, Pflug, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Minority Report: That it be referred without recommendation.

Signed by Senator Zarelli, Ranking Minority Member.

Staff: Paula Faas (786-7449)

Background: Regular surveys of employers conducted by the Workforce Training and Education Coordinating Board (WTECB) show that 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, and there is no guarantee that a student will receive sufficient aid to cover all 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). 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 (HECB), \$615 million in need-based grants was provided to students in Washington during 2004-05. During that period, the State Need Grant provided \$125 million to about 55,000 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 estimated budget 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 Ways & Means Amended Bill: The State Board for Community and Technical Colleges (SBCTC), a nonprofit established to address workforce development issues, and the WTECB, in consultation with a statewide high-technology association, must:

- identify high demand occupations;
- convene or use existing industry groups to identify the skills needed in high demand occupations;
- develop credentials, certificates, and credit bearing curriculum based on skill sets needed in high demand areas that are recognized statewide by employers and postsecondary institutions;
- market the credentials or credit bearing curriculum to students and employers; and
- gain recognition of the credentials of credit bearing curriculum.

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

The SBCTC will develop and implement the Opportunity Grant Program, which is a pilot work force education program, to provide funding for low-income students enrolled in the program, including tuition, books, fees, and other expenses associated with attending a work force. For the purposes of this program, low-income is defined as one hundred seventy-five percent of the federal poverty level or less. The SBCTC must begin to develop the program by March 15, 2006, and enroll students no later than January 1, 2007. Community and technical colleges participating in the pilot will coordinate with the HECB regarding students eligible to qualify for federal and state need-based aid. An implementation progress report is due to the Legislature and the Governor by November 1, 2006. Items that are to be addressed by the report include target student enrollment and completion numbers, a description of program design, pilot college site selection and implementation processes, results to date, and the continuing evaluation plan. A continuing evaluation report is due to the Legislature and the Governor by January 15, 2008. The SBCTC can accept contributions to implement the program, which are deposited with the State Treasurer.

The WTECB, with cooperation from the SBCTC and the HECB, must conduct a study that includes:

- a review and recommendation for consolidating and simplifying the delivery of state and federally funded workforce education programs and workforce education aid, with the goal of achieving easier access to postsecondary education 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 need of students;
- a description of barriers to access and completion of workforce programs for students; and
- recommendations for increasing participation and completion rates in workforce programs.

This study is due to the Legislature by November 15, 2006. The WTECB must coordinate its study and research with the Washington Learns study. The WTECB may accept contributions to carry out this work, which are deposited with the State Treasurer.

This act expires June 30, 2008.

Ways & Means Amended Bill Compared to Early Learning, K-12, and Higher Education Amended Bill: Additional language directs the community and technical colleges participating in the pilot to coordinate with the HECB regarding students that are able to qualify for federal and state need-based aid. It adds an expiration date.

Early Learning, K-12, and Higher Education Amended Bill Compared to Original Bill: The amended bill turns the grant program into a pilot program. Additional details about requirements to be part of the program are included in the amended bill. The amendment also includes additional details and a due date for a progress report that must be provided to the Legislature and the Governor. It includes certificates among items that the SBCTC will develop and identify that will be recognized by postsecondary institutions and employers statewide.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 14, 2006.

Committee/Commission/Task Force Created: No.

Effective Date: March 16, 2006.

Testimony For (Early Learning, K-12 & Higher Education): Well-trained workers are needed by employers, while employees need more training to be able to meet this demand. There are too many job vacancies in Washington and to be competitive we need to address the issue of access to training. This bill would test the idea of opportunity grants on the ground. These grants would allow low-income individuals to access training, and these are often the individuals who have the most difficult time accessing additional education.

This is one of the most important pieces of legislation that the committee will consider. In Georgia, a similar plan has led more people than ever before to continue beyond high school. Industry really likes the HOPE program because it emphasizes the importance of a well-trained workforce, as well as continued retraining for workers. Increasing articulation between high schools, technical colleges, and four-year colleges is much improved.

The aging workforce provides additional concerns in terms of future open positions for workers. Providing the opportunity for education training beyond high school is critical to the state's competitiveness. Assisting economically disadvantaged students to access this is vital. The provision that directs that the effectiveness of the training be studied can provide very valuable data and information. High tech industry in the state is not just focused on employees B.A.s; companies know that they need an educated workforce over all. This core model can be successful, but currently we do not provide enough support and infrastructure for students at the community and technical colleges. We know that a high school diploma plus one year of additional education is the tipping point in terms of economic success. The majority of students do not complete a bachelor's degree; this helps the other students and reinforces that what they are doing is valuable. This grant would help those who need help most.

We know there is a gap in skills and education as well as a gap between demand and supply. Finding new ways to drive more production from this education and training system is good. 32 percent of Washington employers reported that they had difficulty finding qualified job applicants.

The Opportunity Grant Program seems very similar to the Need Grant; there would be greater efficiency and accountability by using this existing channel. The private career schools and colleges hope to be included in this program, as well.

Testimony Against (Early Learning, K-12 & Higher Education): None.

Who Testified (Early Learning, K-12 & Higher Education): PRO: Representative Kenney, prime sponsor; Glenn Newsome, Georgia HOPE Grant Program; Linda Lanham, Aerospace Alliance; Tony Lee, Fremont Public Association; Rouven Carlyle, State Board for Community and Technical Colleges; Steve Lindstrom, Federation of Private Career Schools and Colleges; David Harrison, Workforce Training and Education Coordinating Board; Terry Byington, AEA-Washington Council; Tina Bloomer, State Board for Community and Technical Colleges; Rick Bender, Washington State Labor Council; John Klacik, Higher Education Coordinating Board; George Scarola, League of Education Voters; Amber Carter, Association of Washington Business; Bryan Wilson, Workforce Training and Education Coordinating Board.

Testimony For (Ways & Means): As our economy changes, so does the way training is provided. This bill is a solution for providing training beyond what is provided with a high school diploma. It is a tool to attract new industry. The pilot approach is reasonable, as is the requirement that the program be applied to high demand programs. This program maximizes flexibility and addresses students not currently eligible to receive federal or state aid. This bill will have impacts similar to the worker retraining programs enacted by the Legislature in 1993.

While this bill provides a creative approach, it would be prudent to add a sunset date regarding the pilot program, include precise language describing the students to be served, and clarify how this program will work with existing federal and state aid programs currently operated by the HECB.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): PRO: Representative Kenny, prime sponsor; Rick Slunaker, Associated General Contractors; Chris Reykdal, State Board for Community and Technical Colleges; Chris Thompson, Higher Education Coordinating Board.