

SENATE BILL REPORT

SB 5773

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 24, 2009

Title: An act relating to establishing the opportunity internship program for high school students.

Brief Description: Establishing the opportunity internship program for high school students.

Sponsors: Senators Hobbs, McAuliffe, Kilmer, Kohl-Welles and McDermott.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/20/09, 2/24/09
[DPS-WM, DNP].

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5773 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kilmer, Chair; Jarrett, Vice Chair; Jacobsen, Kastama, McAuliffe and Shin.

Minority Report: Do not pass.

Signed by Senators Becker, Ranking Minority Member; Hewitt, Pflug and Stevens.

Staff: Aldo Melchiori (786-7439)

Background: The Workforce Training and Education Coordinating Board (WTECB) is a state agency charged with coordinating planning, policy, and accountability for 18 workforce programs. At the local level there are 12 workforce development councils (WDCs) that are nonprofit organizations made up of a broad array of community organizations, businesses, labor, education agencies, and local governments. The WDCs coordinate local workforce development services, provide outreach to employers, convene local leaders to address regional and industry-specific issues, and oversee the state's WorkSource system. One of the target populations for the WDC services is disadvantaged youth.

In 2005 the Association of the 12 WDCs received an earmark grant from the U.S. Department of Labor to create an internship and scholarship program for high school

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students that was intended to address local workforce needs in strategic growth industries. The In-Demand Scholars Program included classroom presentations, internships or job shadows for students, and scholarships for postsecondary training for eligible students to give them the skills needed to develop careers in the targeted industries. Six of the WDCs participated and, over the course of a little over two years, provided a total of 144 scholarships.

The State Need Grant (SNG) is the state's primary financial aid program to assist needy students with the costs of postsecondary education. Students with family incomes of up to 70 percent of the state median family income are eligible for a grant for up to five years of study at an institution of higher education in Washington. In 2007-08 approximately 70,000 students received \$182 million in grants from the SNG.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): The Opportunity Internship Program (OIP) is created to provide incentives for local consortia to build educational and employment pipelines for low income high school students in high demand occupations in targeted industries. The WTECB selects up to ten consortia to operate OIPs representing a geographic distribution across the state and a variety of targeted industries. Consortia are composed of the local WDC, Economic Development Council, high schools, community or technical colleges, public and private four-year institutions of higher education, apprenticeship councils, private vocational schools, employers, and labor organizations.

Under the OIP, consortia commit to conducting identified activities using existing federal, state, and private resources. Consortia are encouraged to designate the WDC as fiscal agent; provide summer internships; work with area high schools to incorporate the OIP into counseling programs; and coordinate with other workforce education and financial aid programs. Each consortium may select no more than 100 low income students per year to participate in the OIP.

Each year, the consortia submit lists of OIP graduates to the WTECB, including the high employer demand program of study of the graduate. Those OIP graduates who enroll in a postsecondary program of study within one year of high school graduation are eligible to receive a SNG for up to one year. Program graduates must be enrolled in an approved institution of higher education, which can include related and supplemental instruction for apprentices that is provided through a community or technical college. Program graduates who are in an apprenticeship program can use the SNG award to pay for instruction, tools, and other program costs. Each internship graduate who completes a postsecondary program of study receives an interview with a participating employer.

Each employer in a consortium that offers a paid internship to a low income high school student in the program receives a credit from business and occupation taxes for 1.5 percent of the salary paid in the internship.

Subject to funds provided for this purpose, a consortium receives a \$2,000 payment for each OIP graduate who completes a postsecondary program of study and then obtains and retains employment in a high demand occupation that pays a starting salary of at least \$30,000 per

year for at least six months. Payments must be used to continue operating OIPs. If there are not sufficient funds, the WTECB prorates the payment across the consortia. The WTECB conducts an outcome evaluation of the financial benefits of the OIP and submits a preliminary analysis by December 1, 2012, and a final analysis by December 1, 2014.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This will help create jobs during this economic downturn. It will help steer students toward work in high demand fields. These students will be well prepared for the jobs available as the economy recovers.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; John Aultman, Office of the Superintendent of Public Instruction; Medeline Thompson, WTECB.