

FINAL BILL REPORT

E2SHB 2177

C 254 L 18
Synopsis as Enacted

Brief Description: Creating a rural county jobs program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Chapman, Steele, Frame and Tharinger).

House Committee on Higher Education
House Committee on Appropriations
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background:

Washington State Opportunity Scholarship.

The Washington State Opportunity Scholarship (WSOS) program provides scholarships to low- and middle-income resident students pursuing eligible high-demand majors in science, technology, engineering, mathematics (STEM), and health care. The eligible student must be working towards a first bachelor's degree at an eligible Washington state college or university. The student may attend a public community or technical college if the student indicates plans to transfer to a four-year college or university by the time he or she has earned 90 quarter credits.

The WSOS program is overseen by the WSOS Board and administered by a program administrator, which is a private nonprofit corporation with expertise in managing scholarships and college advising. The program administrator's duties include soliciting and accepting grants and private contributions, publicizing the program, selecting scholarship recipients, and distributing awards.

The source of funding for the WSOS program is a combination of private contributions and state matching funds. The program administrator oversees two separate accounts to receive the private contributions and state matching funds. A state match is provided under specified circumstances, and may not exceed \$50 million annually.

Rural Counties.

In November 2017 the Employment Security Department (ESD) issued a report comparing the economic recovery in rural counties versus urban counties. The ESD defined "rural

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county" the same way it is defined in an existing statute providing sales and use tax for public facilities in rural counties. That statute defines a rural county as a county with a population density of less than 100 people per square mile, or a county smaller than 225 square miles. As of 2016, there are 30 counties meeting that definition (all counties except King, Pierce, Snohomish, Kitsap, Whatcom, Thurston, Clark, Benton, and Spokane).

Summary:

The Rural County High Employer Demand Jobs Program (program) is established to meet the workforce needs of business and industry in rural counties, by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields.

The WSOS Board must oversee and administer the program, which includes developing procedures for accepting applications, selecting students, and disbursing awards. The WSOS Board must create and administer the Student Support Pathways account from which scholarship funds will be disbursed.

Funding for the program must be a combination of private funds and state matching funds. State matching funds may not exceed \$1 million in a single fiscal biennium. The state matching funds must be based on donations and pledges received as of the dates the state caseload forecast is submitted to the Legislature. If state matching funds have been received, the WSOS Board must begin awarding grants no later than the fall term of the 2020 academic year.

Under the program, students are eligible to receive scholarship funds and support services, as determined by the WSOS Board, to help meet eligible expenses when the student enrolls in a public community and technical college (CTC) program that prepares students for a high employer demand field. In making determinations on scholarship recipients, the WSOS Board must use county-specific employer high-demand data. The WSOS Board, in consultation with the State Board for Community and Technical Colleges (SBCTC), interested CTCs in rural counties, and the county's Workforce Development Council, must identify high employer demand fields.

An eligible county is defined as a rural county with a population density of less than 100 people per square mile, or a county smaller than 225 square miles, and also includes any county that shares a common border with Canada and has a population of over 125,000.

To be eligible to receive grants under the program, a student must:

- be a resident of a rural county or graduated from a school district of the second class (a district with fewer than 2,000 enrolled students);
- be a resident student for in-state tuition;
- be enrolled in a CTC located in a rural county;
- be enrolled in a certificate, degree, or other industry-recognized credential or training program that prepares students for a high employer demand field;
- have a family income that does not exceed 70 percent of the state median family income adjusted for family size; and

- demonstrate financial need based on either the FAFSA or the Washington application for state financial aid.

To remain eligible for the award, the student must maintain a grade point average of 2.0. Awards may not result in the reduction of any other gift aid, unless the award would result in aid that exceeds the student's unmet need. No right or entitlement is created under the program.

The Rural Jobs Program Match Transfer Account is created in the custody of the State Treasurer as a nonappropriated account to provide state matching funds for the program. No expenditures from the account may be made except upon receipt of proof of private contributions to the program. Only the executive director of the SBCTC or a designee may authorize expenditures. Once moneys in the account are deposited into the Rural Jobs Program account, the state acts in a fiduciary rather than ownership capacity with regard to those assets.

Votes on Final Passage:

House	98	0	
Senate	48	1	(Senate amended)
House	97	0	(House concurred)

Effective: June 7, 2018