SHB 1425 - S AMD 547 By Senator Liias

ADOPTED 04/03/2021

1 Strike everything after the enacting clause and insert the 2 following:

"NEW SECTION. Sec. 1. The legislature finds that higher education is pivotal in delivering training to Washington citizens at all stages of their careers and ages. A skilled workforce increases productivity, boosts outputs, and propels growth in Washington's economy. The legislature further finds that a well-trained, highly skilled workforce provides Washington citizens with greater opportunities and skill sets to efficiently and confidently meet the changing demands of a transforming economy. Furthermore, a STEM-based education provides Washington's citizens with real-world applications to develop a variety of skill sets needed in today's global economy.

The legislature further finds that the Washington state opportunity scholarship is an innovative public private partnership that has been successful building a qualified workforce to fill Washington's high-demand STEM, health care, and trade industries. The Washington state opportunity scholarship has successfully created opportunities for communities historically left out of higher education and STEM, including women, students of color, and first-generation college students. In addition, the Washington state opportunity scholarship has been shown to change communities by breaking the cycle of intergenerational poverty.

The legislature also finds that higher education is a key driver of individual growth and prosperity, and is an effective way to bridge societal inequities that disproportionately afflict low-income communities and communities of color. The legislature further finds that these gaps will be further widened in the current global pandemic, which will exacerbate long-term impacts on these communities in intergenerational poverty, job attainment, job stability, and wage growth.

Therefore, it is the intent of the legislature to amend the existing Washington state opportunity scholarship program to

- 1 eliminate false barriers for students eligible for the scholarship
- 2 and provide additional educational opportunities for Washington's
- 3 citizens. This legislative intent is particularly urgent during the
- 4 global pandemic where additional skills and opportunities will be
- 5 vital for Washington citizens as the state moves toward recovery from
- 6 the current global pandemic.

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- 7 **Sec. 2.** RCW 28B.145.010 and 2019 c 406 s 63 are each amended to 8 read as follows:
- 9 The definitions in this section apply throughout this chapter 10 unless the context clearly requires otherwise.
- 11 (1) "Board" means the opportunity scholarship board.
 - (2) "Council" means the student achievement council.
 - (3) "Eligible advanced degree program" means a health professional degree program beyond the baccalaureate level and includes graduate and professional degree programs.
 - (4) "Eligible county" has the same meaning as "rural county" as defined in RCW 82.14.370 and also includes any county that shares a common border with Canada and has a population of over one hundred twenty-five thousand.
 - (5) "Eligible education programs" means high employer demand and other programs of study as determined by the board.
 - (6) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the council and the state board for community and technical colleges.
 - (7) "Eligible school district" means a school district of the second class as identified in RCW 28A.300.065(2).
 - (8) "Eligible student" means a resident student who ((received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who)):
 - (a) (i) Received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree;
- (ii) ((Will)) Received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and will attend a two-year institution of higher education Code Rev/CL:lel

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and intends to transfer to an eligible education program at a fouryear institution of higher education;

- (iii) ((Has)) Received his or her high school diploma or equivalent and has been accepted at an institution of higher education into a professional-technical certificate or degree program in an eligible education program; or
- (iv) ((Has been accepted at an institution of higher education into a professional-technical certificate program in an eligible education program; or
- (v))) Has been accepted at an institution of higher education into an eligible advanced degree program that leads to credentials in health professions;
- (b) Declares an intention to obtain a professional-technical certificate, professional-technical degree, baccalaureate degree, or an advanced degree; and
- (c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.
- (9) "Gift aid" means financial aid received from the federal Pell grant, the Washington college grant program in chapter 28B.92 RCW, the college bound scholarship program in chapter 28B.118 RCW, the opportunity grant program in chapter 28B.50 RCW, or any other state grant, scholarship, or worker retraining program that provides funds for educational purposes with no obligation of repayment. "Gift aid" does not include student loans, work-study programs, the basic food employment and training program administered by the department of social and health services, or other employment assistance programs that provide job readiness opportunities and support beyond the costs of tuition, books, and fees.
- 30 (10) "High employer demand program of study" has the same meaning 31 as provided in RCW 28B.50.030.
 - (11) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.
- (12) "Private sources," "private funds," "private contributions," or "private sector contributions" means donations from private organizations, corporations, federally recognized Indian tribes, municipalities, counties, and other sources, but excludes state dollars.
- 39 (13) "Professional-technical certificate" means a program as 40 approved by the state board for community and technical colleges Code Rev/CL:lel 3 S-2575.2/21 2nd draft

- 1 under RCW 28B.50.090(7)(c), that is offered by an institution of 2 higher education.
 - (14) "Professional-technical degree" means a program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c), that is offered by an institution of higher education.
 - (15) "Program administrator" means a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code.
- 11 (16) "Resident student" has the same meaning as provided in RCW 28B.15.012.
- 13 (17) "Rural jobs program" means the rural county high employer 14 demand jobs program created in this chapter.
- 15 **Sec. 3.** RCW 28B.145.100 and 2018 c 254 s 4 are each amended to 16 read as follows:
 - (1) (a) The rural county high employer demand jobs program is created 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.
 - (b) Subject to the requirements of this section, the rural jobs program provides selected students scholarship funds and support services, as determined by the board, to help students meet their eligible expenses when they enroll in a community or technical college program that prepares them for high employer demand fields.
 - (c) The source of funds for the rural jobs program shall be a combination of private donations, grants, and contributions and state matching funds.
 - (2) The program administrator has the duties and responsibilities provided under this section, including but not limited to:
 - (a) ((Publicizing)) <u>Publicize</u> the rural jobs program and conducting outreach to eligible counties;
- 34 (b) In consultation with the state board for community and technical colleges, any interested community or technical college located in an eligible county, and the county's workforce development council, identify high employer demand fields within the eligible counties. When identifying high employer demand fields, the board must consider:

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- 1 (i) County-specific employer demand reports issued by the 2 employment security department or the list of statewide high-demand 3 programs for secondary career and technical education established 4 under RCW 28A.700.020; and
 - (ii) The ability and capacity of the community and technical college to meet the needs of qualifying students and industry in the eligible county;
- 8 (c) Develop and implement an application, selection, and 9 notification process for awarding rural jobs program scholarship 10 funds. In making determinations on scholarship recipients, the board 11 shall use county-specific employer high-demand data;
- 12 (d) Determine the annual scholarship fund amounts to be awarded 13 to selected students;
 - (e) Distribute funds to selected students;
 - (f) Notify institutions of higher education of the rural jobs program recipients who will attend their institutions of higher education and inform them of the scholarship fund amounts and terms of the awards; and
 - (g) Establish and manage an account as provided under RCW 28B.145.110 to receive donations, grants, contributions from private sources, and state matching funds, and from which to disburse scholarship funds to selected students.
- 23 (3) To be eligible for scholarship funds under the rural jobs 24 program, a student must:
 - (a) Either:

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- (i) Be a resident of an eligible county <u>and be enrolled in a community or technical college established under chapter 28B.50 RCW;</u> or ((have))
- (ii) Have attended and graduated from a school in an eligible school district and be enrolled in a community or technical college established under chapter 28B.50 RCW that is located in an eligible county;
 - (b) Be a resident student as defined in RCW 28B.15.012;
- 34 (c) ((Be enrolled in a community or technical college established under chapter 28B.50 RCW located in an eligible county;
- (d)) Be in a certificate, degree, or other industry-recognized credential or training program that has been identified by the board as a program that prepares students for a high employer demand field;

- 1 (((e))) <u>(d)</u> Have a family income that does not exceed seventy 2 percent of the state median family income adjusted for family size; 3 and
- 4 (((f))) (e) Demonstrate financial need according to the free application for federal student aid or the Washington application for state financial aid.
- 7 (4) To remain eligible for scholarship funds under the rural jobs program, the student must maintain a cumulative grade point average of 2.0.
- 10 (5) A scholarship award under the rural jobs program may not 11 result in a reduction of any gift aid. Nothing in this section 12 creates any right or entitlement.
- 13 **Sec. 4.** RCW 28B.145.120 and 2018 c 254 s 6 are each amended to 14 read as follows:

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- (1) The rural jobs program match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the rural jobs program created in RCW 28B.145.100. The purpose of the rural jobs program match transfer account is to provide state matching funds for the rural jobs program.
- 21 (2) Revenues to the rural jobs program match transfer account 22 shall consist of appropriations by the legislature into the rural 23 jobs program match transfer account.
 - (3) No expenditures from the rural jobs program match transfer account may be made except upon receipt of proof, by the executive director of the council from the program administrator, of private contributions to the rural jobs program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.
 - (4) Only the executive director of the council or the executive director's designee may authorize expenditures from the rural jobs program match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under this section.
- 35 (5)(a) The council shall enter into an appropriate agreement with 36 the program administrator to demonstrate exchange of consideration 37 for the matching funds.
- 38 (b) Once moneys in the rural jobs program match transfer account 39 are subject to an agreement under this subsection and are deposited Code Rev/CL:lel 6 S-2575.2/21 2nd draft

- 1 in the student support pathways account, the state acts in a
- 2 fiduciary rather than ownership capacity with regard to those assets.
- Assets in the student support pathways account are not considered state money, common cash, or revenue to the state.
- (6) The state match must not exceed one million dollars in a 5 6 single fiscal biennium and must be based on donations and pledges 7 received by the rural jobs program as of the date each official state caseload forecast is submitted by the caseload forecast council to 8 the legislative fiscal committees, as provided under RCW 43.88C.020. 9 Nothing in this section expands or modifies the responsibilities of 10 11 the caseload forecast council. The purpose of this subsection (6) is to ensure the predictable treatment of the program in the budget 12 process by clarifying the calculation process of the state match 13 required by this section and ensuring that the program is budgeted at 14

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maintenance level."

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On page 1, line 2 of the title, after "students;" strike the remainder of the title and insert "amending RCW 28B.145.010, 28B.145.100, and 28B.145.120; and creating a new section."

EFFECT: Requires that the state match for the rural jobs program
be budgeted at maintenance level.

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