

HOUSE BILL REPORT

HB 1608

As Reported by House Committee On:
Labor & Workforce Development
Education Appropriations & Oversight

Title: An act relating to modifying the opportunity internship program.

Brief Description: Modifying the opportunity internship program.

Sponsors: Representatives Billig, Probst, Haigh, Santos, Seaquist, Anderson, Haler, Maxwell, Dammeier, Sells, Carlyle, Sullivan, Ladenburg, Dahlquist, Frockt, Fitzgibbon, Ryu, Orwall, Moscoso, Stanford, Jinkins, Ormsby, Jacks, McCoy, Appleton, Kelley, Van De Wege, Clibborn, Kenney, Roberts, Upthegrove, Goodman, Hasegawa and Tharinger.

Brief History:

Committee Activity:

Labor & Workforce Development: 2/4/11, 2/15/11 [DPS];

Education Appropriations & Oversight: 2/18/11, 2/21/11 [DPS(LWD)].

Brief Summary of Substitute Bill

- Makes students who qualify for a State Need Grant or the Workforce Investment Act Title I-B Youth Program eligible for the Washington Opportunity Internship Program (Program).
- Allows students who complete a general education development certificate to remain eligible for the Program.
- Requires the Workforce Training and Education Coordinating Board to report whether the Program's performance warrants expanding participation to include students from middle-income families.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Kenney, Miloscia, Moeller, Ormsby and Roberts.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 5 members: Representatives Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Taylor and Warnick.

Staff: Parker Howell (786-5793) and Jill Reinmuth (786-7134).

Background:

Opportunity Internship Program.

Created in 2009, the Opportunity Internship Program (Program) provides incentives for consortia of businesses to use existing resources to train low-income high school students for high-demand occupations in targeted industries. Consortia currently operate through eight workforce development councils statewide and may consist of organizations including: high schools, community or technical colleges, employers, labor groups, apprenticeship councils, and pre-apprenticeship programs such as Running Start for the Trades.

To be eligible for the Program, students must be enrolled in grades 10, 11, or 12 at public high schools and qualify for federal free- or reduced-price meals. Students qualify for free meals when their families have incomes of 130 percent or less of the poverty level. Students whose families earn between 130 and 185 percent of the poverty level are eligible for reduced-price meals. Students may remain eligible for the Program even if they later no longer receive free- or reduced-price meals, but students must remain enrolled in high school until they receive a diploma.

The Program offers two incentives for students: each graduate is eligible for as much as one year of financial assistance for post-secondary education through the State Need Grant, and each graduate who completes a post-secondary program receives a job interview with an employer participating in a consortium. A consortium may receive as much as \$2,000 per graduate who completes a post-secondary program of study, obtains a job in a high-demand occupation paying at least \$30,000 annually, and remains employed for at least six months.

The Workforce Training and Education Coordinating Board (Workforce Board) administers the Program and must submit a report evaluating the financial benefits of the Program compared with its costs. The Workforce Board must submit a preliminary analysis to the Governor and the Legislature by December 1, 2012, and a final analysis by December 1, 2014.

Each consortium must provide the Workforce Board with a list of opportunity internship graduates from that consortium. The Workforce Board must compile lists of graduates and inform the Higher Education Coordinating Board (Higher Education Board) that the graduates are eligible for State Need Grants.

State Need Grant.

The State Need Grant program provides financial aid to low-income undergraduate students attending public two- and four-year colleges and universities and certain accredited independent colleges, universities, and career schools in Washington. To be eligible, students must submit a Free Application for Federal Student Aid (FAFSA), have a family income of less than 70 percent of the state median, be a Washington resident enrolled at an eligible

institution, and meet other qualifications. The program may award a student as much as \$7,717 per year.

Title I-B Youth Program.

The federal Workforce Investment Act (WIA) of 1988 established a program to assist low-income youth facing barriers to employment. To be eligible for WIA Title I-B Youth Program services, a person must be 14 to 21 years old, a United States citizen, in compliance with the Selective Service Act, and meet other criteria, such as being a school dropout, pregnant, or homeless.

Summary of Substitute Bill:

Low-income high school students are eligible for the Program when they are enrolled in grades 10, 11, or 12 at a public high school and qualify for a State Need Grant or to participate in the WIA Title I-B Youth Program, rather than when they qualify for free- or reduced-price meals. Students may remain in the Program even if they later no longer meet those qualifications.

To be eligible for incentives under the Program, students must remain in high school until they receive either a diploma or a general educational development (GED) certificate. Other references to receipt of a high school diploma for purposes of the Program are changed to include the alternative of completion of a GED.

The teaching of mathematics, science, bilingual education, special education, or English as a second language qualifies as a "high-demand occupation" for purposes of the Program. Partnerships of high schools, teacher preparation programs, and community-based organizations offering the Recruiting Washington Teachers Program may be considered Opportunity Internship consortia.

Consortia are encouraged to provide stipends or financial incentives for internship or preapprenticeship completion.

The definition of "needy students" for the purposes of qualifying for State Need Grants is expanded to include preapprenticeship graduates.

The Higher Education Board must create certificates notifying internship and preapprenticeship graduates of their eligibility for need-based awards and the importance of early filing of the FAFSA to secure their eligibility for awards. The Higher Education Board must provide the certificates to internship consortia, which must commit through terms of Program contracts to award each graduate with a certificate.

The Workforce Board must include in its final analysis whether performance of the Program warrants expanding participation to include students from middle-income families who do not currently qualify.

Substitute Bill Compared to Original Bill:

The definition of "preapprenticeship" is changed to remove programs that provide experience beneficial for entry into federally approved apprenticeship programs. Preapprenticeship graduates are "needy students" for the purposes of qualifying for State Need Grants, rather than just Opportunity Internship graduates. The Higher Education Board must create certificates notifying preapprenticeship graduates, rather than just internship graduates, of eligibility for a State Need Grant. Opportunity Internship consortia are encouraged to provide stipends or financial incentives for preapprenticeship completion, rather than just internship completion. The teaching of mathematics, science, bilingual education, special education, or English as a second language qualifies as a "high-demand occupation" for purposes of the Program. Partnerships of high schools, teacher preparation programs, and community-based organizations offering the Recruiting Washington Teachers Program may be considered Opportunity Internship consortia.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 15, 2011.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill makes an excellent Program better and easier to administer. This will assist Opportunity Internship graduates by providing easier access to the State Need Grant program. The bill makes students who receive GEDs eligible. The bill stresses filing of the FAFSA, and improves communication between students and financial aid offices regarding certificates. These changes will make the Program target the right youth.

(In support with concerns) There should be an amendment to at least mention certain preapprenticeship programs in various places. Stakeholders have spent more than \$1 million for multi-craft core curriculum for schools that do not have the funding or the space to have regular Career and Technical Education classes. A lack of preapprenticeship programs correlates to the drop-out rate.

(Opposed) None.

Persons Testifying: (In support) Representative Billig, prime sponsor; Rachelle Sharp, Higher Education Coordinating Board; and Wes Pruitt, Workforce Education Board.

(In support with concerns) Dave Johnson, Washington State Building Construction and Trades Council.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS & OVERSIGHT

Majority Report: The substitute bill by Committee on Labor & Workforce Development be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Haigh, Chair; Probst, Vice Chair; Anderson, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Dahlquist, Frockt, Hargrove, Hope, Maxwell, Nealey, Orwall, Reykdal, Rolfes, Santos, Seaquist, Sells, Short and Stanford.

Staff: Trista Zugel (786-7157).

Summary of Recommendation of Committee On Education Appropriations & Oversight Compared to Recommendation of Committee On Labor & Workforce Development:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill makes minor adjustments to a successful dropout prevention program. It will have a very positive fiscal impact, because the cost savings for students who do not drop out is more than \$10,000 per year for the rest of their lives. This also has a positive impact on a student's life. The changes in this bill are modest but important and will improve the administration of the program. The administrative changes will save funds.

(Opposed) None.

Persons Testifying: Representative Billig, prime sponsor; and Chris Thompson, Higher Education Coordinating Board.

Persons Signed In To Testify But Not Testifying: None.