

COMMITTEE ON HIGHER EDUCATION

*Rep. Don Carlson, Republican Co-Chair; and
Rep. Phyllis Kenney, Democratic Co-Chair*

BILL ANALYSIS

HB 2834

Brief Description: Creating a conditional scholarship for vocational-technical education.

Background: According to the Workforce Training and Education Coordinating Board, a large gap exists between the number of job openings that require more than one year, but less than four years of postsecondary education and the supply of workers with the same educational attainment. Between 1998 and 2008, Washington is estimated to have 32,000 job openings while the supply of qualified workers is estimated at only 21,300. This leaves approximately one-third of the labor need unmet.

Summary of the bill: The Bright Futures conditional scholarship program is created. To be eligible, students must be enrolled in a vocational-technical program that (1) is offered through a community college, technical college, or a licensed private career school that results in a degree or certificate and (2) is identified as a program that prepares students for employment in an industry with a significant gap between the supply of skilled workers and the demand for such workers.

Scholarship recipients may receive no more than double the annual tuition and fees at the public community and technical colleges for a period of two years. Recipients must repay the scholarship with interest, unless they are employed in Washington in the occupation sector in which they were trained, for two years for each year of scholarship received. Recipients must begin employment in the occupation sector in which they were trained within five years after receiving the last loan installment.

The interest rate is eight percent for the length of the repayment period, which begins nine months after completing or discontinuing from the program. If a participant ceases employment in the occupation sector for which he or she is trained, he or she must repay the remaining portion of the principal and interest beginning on the next specified payment period.

The Bright Futures conditional scholarship program is administered by the Higher Education Coordinating Board, which establishes rules and guidelines, and adopts selection criteria. An account is established in the custody of the State Treasurer.

The Workforce Training and Education Coordinating Board (1) publicizes and promotes the program; (2) solicits grants and donations for the program; (3) determines what constitutes an eligible educational program, in conjunction with the State Board for Community and Technical Colleges; and (4) determines what constitutes being employed in the occupation of training for

purposes of repayment obligation.

When determining what constitutes an eligible program, the Workforce Training and Education Coordinating Board and State Board for Community and Technical Colleges shall consider whether there is a significant gap between the supply of skilled workers and the demand for such workers within the occupation that the degree or certificate program prepares students for work. They shall also consider the wage level likely to be earned by program completers and whether the degree or certificate program has a high placement rate.

Industries that benefit from students graduating from the degree or certificate program must contribute to the scholarship fund. The minimum contribution is fifty percent of the scholarships awarded to individuals who enroll in a program that prepares a student for work in a particular industry.

Appropriation: None.

Fiscal Note: Requested on January 24, 2000.

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

*Prepared for the House Higher Education Committee
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February 2, 2000*