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**SUBSTITUTE HOUSE BILL 2688**

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**State of Washington**

**56th Legislature**

**2000 Regular Session**

**By** House Committee on Higher Education (originally sponsored by Representatives McIntire, Carlson, Kenney, Radcliff, Conway, Clements, Tokuda, Ruderman, Edmonds and Santos)

Read first time 02/03/2000. Referred to Committee on .

1 AN ACT Relating to earned income training credits; and adding new  
2 sections to chapter 28B.50 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.50 RCW  
5 to read as follows:

6 (1)(a) The college board shall establish and administer an earned  
7 income training credit program as provided in this section for persons  
8 with qualifying children who received an earned income tax credit under  
9 the federal internal revenue code. Persons with qualifying children  
10 who received an earned income tax credit shall receive earned income  
11 training credits in an amount equal to fifty percent of the earned  
12 income tax credit received in a year, up to the maximum established in  
13 (b) of this subsection. If the recipient of training credits does not  
14 use the credits in the year the credits are received, then credits may  
15 be accumulated over time up to the maximum established in (b) of this  
16 subsection.

17 (b) For each school year beginning with the 2000-01 school year,  
18 the college board shall determine the maximum amount that a recipient  
19 may receive in earned income training credits, which shall equal six

1 times the quarterly tuition, as defined in RCW 28B.15.020, for that  
2 school year at community and technical colleges.

3 (2)(a) Earned income training credits must be used within five  
4 years from the year in which the credits are received. A recipient  
5 must have a minimum of one thousand dollars in credits before the  
6 credits may be used. The maximum amount of credits that the recipient  
7 may use during his or her lifetime is equal to the maximum amount of  
8 credits established under subsection (1)(b) of this section for the  
9 school year in which the recipient first uses the credits.

10 (b) Earned income training credits are not transferable.

11 (3) Earned income training credits may be used, subject to  
12 available funding:

13 (a) For tuition at an institution of higher education as defined in  
14 RCW 28B.10.016 or a private career school as defined in RCW 28C.10.060;  
15 or

16 (b) To reimburse a current or prospective employer who redeems the  
17 credits from the recipient and agrees to provide training for the  
18 recipient under a training contract entered into by the employer, or  
19 prospective employer, the employee, and an eligible training  
20 institution under the rules of the college board. The training  
21 contract must meet the college board's standards for training and must  
22 establish the value of the training. The employer participating under  
23 a contract to train a recipient who is an employee or prospective  
24 employee may be reimbursed for the on-the-job training provided under  
25 the contract in an amount not exceeding the value of the training as  
26 established by the contract or the earned income training credits  
27 redeemed by the employer, whichever is less. A minimum of twenty-five  
28 percent of funds set aside for training credits shall be used for on-  
29 the-job training under this subsection.

30 (4) The college board shall adopt rules setting standards for  
31 defining the training, employment, and wage assumptions, and for  
32 establishing the value of the training under a training contract for  
33 employer reimbursement purposes.

34 (5) Earned income training credits shall be available beginning  
35 January 1, 2001, for earned income tax credits received for federal  
36 income taxes filed for the 2000 tax year.

37 (6) Subject to available funding, if a recipient of training  
38 provided under subsection (3)(a) of this section is enrolled in a

1 program of study at least half time, the recipient is eligible, as  
2 provided under rules adopted by the college board, for:

3 (a) State subsidized child care; and

4 (b) A financial aid state supplement not to exceed the student's  
5 remaining unmet need after the receipt of training credits and the  
6 total financial aid awarded for the academic year to the student from  
7 federal, state, or institutional programs.

8 (7) Training credits earned shall be considered a self-help  
9 contribution for purposes of financial aid and shall not reduce  
10 eligibility for or supplant state and federal financial aid grants.

11 (8) Only persons who would qualify as resident students under RCW  
12 28B.15.012 are eligible for the earned income training credit program.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.50 RCW  
14 to read as follows:

15 The college board shall, with the cooperation of the employment  
16 security department, report on the impact of section 1 of this act to  
17 the work force training and education coordinating board, or a  
18 successor board, and the appropriate committees of the legislature by  
19 December 1st of even-numbered years, beginning in 2002. The report  
20 must include:

21 (1) The number of people receiving training;

22 (2) The cost of the training;

23 (3) The cost of program administration;

24 (4) For those persons whose credits were used for training at  
25 institutions of higher education under section 1(3)(a) of this act:

26 (a) Their employment status; and

27 (b) The number of workers receiving tuition benefits by institution  
28 and general area of study; and

29 (c) Training outcomes, including indices of placement rates,  
30 student demographics, training plan completion rates, and comparisons  
31 of preprogram and postprogram wage levels; and

32 (5) For those persons using the credit for employee training under  
33 section 1(3)(b) of this act, a report on:

34 (a) Their job and wage progression; and

35 (b) The number of workers receiving training by industry, size of  
36 firm, and occupation.

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