
Higher Education Committee

HB 2630

Brief Description: Creating the opportunity express program.

Sponsors: Representatives Probst, Kenney, Conway, Maxwell, Jacks, White, Simpson, Seaquist, Sells, Goodman, Ormsby and Santos.

Brief Summary of Bill

- Requires colleges to form partnerships with area Workforce Development Councils (WDCs) to assure Worker Retraining programs are linked with local economic development strategy.
- Requires community and technical colleges to annually submit Worker Retraining plans that demonstrate how Worker Retraining programs align with the training needs of the region and gives each area WDCs authority to approve annual Worker Retraining plans before colleges may use Worker Retraining funding.
- Requires each college to give priority in the use of Worker Retraining funds to programs serving the aerospace, healthcare, high-technology manufacturing, and renewable energy industries as well as other programs that are linked to local economic development strategy.
- Gives automatic eligibility for Worker Retraining benefits to recipients of the Supplemental Nutrition Assistance, Unemployment Insurance, Temporary Assistance for Needy Families, and Free and Reduced-Price Lunch programs.
- Requires the State Board for Community and Technical Colleges (SBCTC) to develop a single website to provide self-assessment of eligibility for Worker Retraining, Opportunity Grant, and Opportunity Internship programs.
- Creates the Opportunity Express account and stipulates that funding may only be used for the Worker Retraining, Opportunity Grant, and Opportunity Internship programs up to \$100 million.

Hearing Date: 1/15/10

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.

Staff: Andi Smith (786-7304).

Background:

Worker Retraining Program

The worker retraining program provides funding to dislocated and unemployed workers for training programs and related support services including financial aid, career advising, educational planning, referral to training resources, job referral, and job development. The program includes a grant of financial aid to students that can be used to help pay for tuition, books, fees, and related expenses. To qualify, a person must be eligible for or have exhausted his or her unemployment compensation benefits within the last 24 months. Dislocated workers and long-term unemployed people have priority access to training and support services. Displaced homemakers, those formerly self-employed, and unemployed veterans recently separated from service may also qualify. Vulnerable workers (those who are employed but in declining occupations and have less than one year of college education plus a credential) may qualify depending upon the economic status of the local community.

The State Board for Community and Technical Colleges administers the program and requires each college to convene a Worker Retraining advisory committee. The committee must include involvement from business and labor and is required to help colleges link students to high-wage, high-employer demand programs suited to local needs. Each college is also required to submit an annual plan that lays out how program funds will be used and how programs are linked to the overall economic development strategy of the region. Each college may contract with private career colleges to provide program capacity.

During the most recent economic recession, demand for the Worker Retraining program has greatly expanded. Compared to the same academic quarter in the prior year, Worker Retraining enrollments grew: 26 percent in fall quarter 2008, 39 percent in winter quarter 2008, and 50 percent in spring quarter 2009. Worker Retraining enrollments are driven in large part by unemployment rates. At the start of the 2008-09 academic year, the state's unemployment rate was 5.41 percent. Unemployment grew steadily throughout the year and it now stands at just over 9 percent. Unemployment is expected to continue to increase through spring 2010, topping out at almost 10 percent. Last year, the program served 8,900 full-time equivalent students (FTES).

Opportunity Grant Program

The State Board for Community and Technical College administers the Opportunity Grant program that is designed to assist low-income students enroll in college for training in high-wage, high-demand career pathways. These pathways are to provide a minimum beginning wage of \$13 per hour in Washington State (\$15 per hour in King County). Eligible students pursuing approved career pathways at any of the 34 Washington State community and technical colleges or eight approved private career colleges may receive funds for tuition and fees for up to 45 credits and up to an additional \$1,000 for books, supplies, or tools. To qualify, a person must make a formal application to the program, be a Washington resident student, enroll in an Opportunity Grant-eligible program of study, have family income that is at or below 200 percent of the federal poverty level using the most current guidelines available, and have financial need based on federal methodology from the Free Application for Federal Student Aid (FAFSA).

In 2006, the Washington State Legislature appropriated \$4 million to kick off an Opportunity Grant pilot project at 10 community and technical colleges. The 10 pilot programs showed excellent results with 73 percent retention and approximately 843 low-income students participating in training for high-wage, high-demand career pathways. In 2007, the Legislature expanded the Opportunity Grant program by \$7.5 million for a total of \$11.5 million per year for all 34 community and technical colleges. In 2007-08 the Opportunity Grant program served over 2,000 FTES or approximately 3,000 full-time and part-time students. Again, student persistence exceeded expectations with an 81 percent fall to spring retention rate. By 2008, the program had grown to serve almost 5,000 full- and part-time students equivalent to 3,305 full-time equivalent students (FTES).

Opportunity Internships

Created in 2009, the Opportunity Internship program provides incentives for local consortia to build educational and employment pipelines for low income high school students in high-demand occupations in targeted industries. The Program is administered by the Workforce Training and Education Coordinating Board (Workforce Board) and offers outreach, internships, pre-apprenticeships, counseling and up to one year of financial aid through the State Need Grant, as well as the promise of a job interview if the student completes a postsecondary program of study.

Under the Program, consortia, composed of the local Workforce Development Council, Economic Development Council, high schools, community or technical colleges, public and private four-year institutions of higher education, apprenticeship councils, private vocational schools, employers, and labor organizations use existing federal, state, and private resources to:

- identify high demand occupations in targeted industries for which internships and pre-apprenticeships will be developed and provided for low income students,
- develop paid or unpaid internships and pre-apprenticeships of at least 90 hours in length, and
- provide mentoring, guidance, and assistance with college applications and financial aid.

Summary of Bill:

Each community college is required to set up a partnership with the area Workforce Development Councils (WDCs) to ensure that Worker Retraining programs are linked with local economic development strategy. Each college is required to develop a Worker Retraining plan that demonstrates how programs of study align with the training needs in the region. The plan must additionally include evidence that training will lead to living wage jobs, a description of support services and program administration, and appropriate budget materials. The plan must be approved by the college president and submitted to the area WDCs for review. The college may not use Worker Retraining funding until the area WDCs has approved the plan.

In administering the Worker Retraining Program, community and technical colleges must give priority to programs that train students in aerospace, healthcare, high-technology manufacturing, or renewable energy. The local partnerships may also prioritize additional programs of study if those programs are linked to industries that are part of the overall economic development strategy of the college's region.

Current recipients of the Supplemental Nutrition Assistance, Unemployment Insurance, Temporary Assistance to Needy Families (TANF), and Free and Reduced-Price Lunch programs are automatically eligible for Worker Retraining benefits.

The State Board for Community and Technical Colleges must create a single web site to advertise the availability of workforce education and training resources. The web site must include a screen component to determine initial eligibility for the Worker Retraining, Opportunity Grant, and Opportunity Internship programs; comprehensive information on those program including financial aid eligibility, benefit levels, and eligible programs of study; as well as customized referral to a local community or technical college. The web site must be completed by July 1, 2010.

The State Board for Community and Technical Colleges is also responsible for reporting annually to the Governor and appropriate committees of the Legislature on specific outcome measures for the Worker Retraining program including: the number of enrollments and completions, the number and percent of Worker Retraining students who are employed six to nine months after leaving training, measures of industry satisfaction, and total amount of funding used to increase capacity. The report is due on December 1, 2010 and annually thereafter.

The Opportunity Express account is created and stipulates that funding may only be used for the Worker Retraining, Opportunity Grant, and Opportunity Internship programs up to \$100 million.

Appropriation: None.

Fiscal Note: Requested on January 11, 2010.

Effective Date: The bill contains an emergency clause and takes effect immediately.