

# COMMITTEE ON HIGHER EDUCATION

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

## BILL ANALYSIS

### HB 2688

**Brief Description:** Establishing an earned income training credit program.

**Background:** Washington is experiencing a shortage of trained workers. This impacts the productivity, the output and sales, and the quality of the products and services of the state's businesses. The most serious shortage is for workers with post-secondary training, including vocational training. Workers, with even short periods of education and training, can experience a substantial increase in income.

**Summary:** The State Board for Community and Technical Colleges (SBCTC) must establish and administer an earned income training credit program. To be eligible for the training credit, a resident student must have received an earned income tax credit under the Internal Revenue Code. The training credit is awarded in an amount equal to 50 percent of the earned tax credit, up to \$3000. The training credit may be carried over for up to five years, but are not transferrable. A recipient must have a minimum of \$1000 in training credits before using them and are subject to a lifetime maximum of \$3000 in training credits.

The training credits are earned for tuition at any public baccalaureate, community or technical college, or by an employer providing on-the-job training under a training contract. The employer, or prospective employer, the employee, and the SBCTC are the parties to the training contract. The training credits are subject to available funding.

Recipients of the training credits are eligible for state subsidized child care under the SBCTC rules. Other forms of financial aid, including Pell Grants, state work-study, and state need grants, are also available.

Beginning December 1, 2002, the SBCTC, in cooperation with the Employment Security Department, must issue a biennial report.

**Appropriation:** None.

**Fiscal Note:** Requested on January 26, 2000.

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

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*Prepared for the House Higher Education Committee  
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