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HOUSE BILL 1848

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State of Washington

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2001 Regular Session

By Representatives McIntire, Jarrett, Kenney, Cox, Tokuda, Ruderman, Conway, Santos, Ogden, McDermott, O'Brien, Wood and Schual-Berke

Read first time 02/06/2001. Referred to Committee on Higher Education.

1 AN ACT Relating to earned income training credits; adding new  
2 sections to chapter 28B.10 RCW; making appropriations; and providing  
3 expiration dates.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.10 RCW  
6 to read as follows:

7 (1) Subject to legislative appropriation, the higher education  
8 coordinating board with the assistance of the state board for community  
9 and technical colleges, shall establish and administer an earned income  
10 training credit pilot project as provided in this section for eligible  
11 persons who received an earned income tax credit under the federal  
12 internal revenue code.

13 (2) Eligible persons must be resident students as defined under RCW  
14 28B.15.012, must have qualifying children, and have received an earned  
15 income tax credit under the federal internal revenue code.

16 (3) Eligible persons may receive earned income training credits in  
17 an amount equal to fifty percent of the earned income tax credits  
18 received in the previous five tax years, up to the maximum established  
19 in subsection (5) of this section.

1 (4) The higher education coordinating board shall award the earned  
2 income training credits on a first-come, first-served basis, subject to  
3 available funding.

4 (5)(a) For each school year beginning with the 2001-02 school year,  
5 the higher education coordinating board shall determine the maximum  
6 amount that an eligible person may receive in earned income training  
7 credits, which shall equal six times the quarterly tuition, as defined  
8 in RCW 28B.15.020, for that school year at community colleges.

9 (b) An eligible person must have a minimum of one thousand dollars  
10 in credits before the credits may be used.

11 (c) Earned income training credits are not transferable.

12 (6) Subject to available funding, earned income training credits  
13 may be used for tuition or job training.

14 (a) The training credit may be used for tuition at:

15 (i) An institution of higher education as defined in RCW  
16 28B.10.016, not including graduate level courses; or

17 (ii) A private vocational school as defined in RCW 28C.10.060.

18 (b) The training credit may be used to reimburse a current or  
19 prospective employer who redeems the credits from the eligible person  
20 and agrees to provide training for the eligible person under a training  
21 contract entered into by the current or prospective employer, the  
22 employee, and an eligible training institution under the rules of the  
23 state board for community and technical colleges.

24 (i) The state board for community and technical colleges shall  
25 administer on-the-job training as part of the pilot program.

26 (ii) The training contract under this subsection (6)(b) must meet  
27 the state board for community and technical college's standards for  
28 training and must establish the monetary value of the training.

29 (iii) The employer participating under a contract to train an  
30 eligible person who is a current or prospective employee may be  
31 reimbursed for the on-the-job training provided under the contract in  
32 an amount not exceeding the value of the training as established by the  
33 contract or the earned income training credits redeemed by the  
34 employer, whichever is less.

35 (iv) Twenty-five percent of funds set aside for training credits  
36 shall be used for on-the-job training under this subsection (6)(b).

37 (c) The higher education coordinating board shall transfer the  
38 necessary information about an eligible person applying the training

1 credits under subsection (6)(b) to the state board for community and  
2 technical colleges.

3 (7) The state board for community and technical colleges shall  
4 adopt rules setting standards for defining the training and for  
5 establishing the value of the training under the training contract for  
6 employer reimbursement purposes.

7 (8) As required, the higher education coordinating board shall work  
8 with the department of revenue and the federal internal revenue service  
9 to determine a person's eligibility.

10 (9) Subject to available funding and rules adopted by the higher  
11 education coordinating board, if an eligible person is enrolled in a  
12 program of study of at least half-time, the person may receive state-  
13 subsidized child care and a financial aid supplement.

14 (a) The higher education coordinating board shall, in collaboration  
15 with the state board for community and technical colleges and the  
16 department of social and health services, connect an eligible person  
17 with state-subsidized child care in currently established programs.

18 (b) If attending an institution eligible to participate in federal  
19 and state financial aid programs, a financial aid supplement shall be  
20 available for the unmet need after the receipt of training credits and  
21 the total financial aid awarded for the academic year to the student  
22 from federal, state, and institutional programs.

23 (i) The eligible person must be attending an institution eligible  
24 to participate in federal and state financial aid programs.

25 (ii) The eligible person must make satisfactory progress in a  
26 degree or certificate program.

27 (iii) The financial aid supplement is subject to the maximum as set  
28 by the higher education coordinating board.

29 (10) Training credits shall be considered self-help for the  
30 purposes of financial aid and shall not reduce or supplant state and  
31 federal financial aid grants.

32 (11) The higher education coordinating board shall work with the  
33 state board for community and technical colleges to promote the  
34 training program to potentially eligible persons as well as streamline  
35 the eligibility process.

36 (12) An amount not to exceed 2.1 percent of funds available for the  
37 earned income training credit program may be expended on agency  
38 administrative costs. Agency administrative costs are indirect

1 expenses such as personnel, payroll, contract administration, fiscal  
2 services, and other overhead costs.

3 (13) The higher education coordinating board may transfer funds to  
4 the state board for community and technical colleges as necessary to  
5 accomplish the purpose of this section and section 2 of this act.

6 (14) This section expires June 30, 2003.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW  
8 to read as follows:

9 (1) The higher education coordinating board shall, with the  
10 cooperation of the state board for community and technical colleges and  
11 the employment security department, report on the impact of section 1  
12 of this act to the work force training and education coordinating  
13 board, or a successor board, and the appropriate committees of the  
14 legislature by December 1, 2003. The report must include:

15 (a) The number of people receiving training;

16 (b) The cost of the training;

17 (c) The cost of program administration;

18 (d) For those persons whose credits were used for training at  
19 institutions of higher education under section 1 of this act:

20 (i) Their employment status;

21 (ii) The number of workers receiving tuition benefits by  
22 institution and general area of study;

23 (iii) Training outcomes, including indices of placement rates,  
24 student demographics, training plan completion rates, and comparisons  
25 of preprogram and postprogram wage levels; and

26 (iv) The number of people receiving a financial aid supplement and  
27 child care; and

28 (e) For those persons using the training credit for employee  
29 training under section 1 of this act, a report on:

30 (i) Their job and wage progression; and

31 (ii) The number of workers receiving training by industry, size of  
32 firm, and occupation.

33 (2) This section expires December 31, 2003.

34 NEW SECTION. **Sec. 3.** (1) The sum of three million dollars, or as  
35 much thereof as may be necessary, is appropriated for the fiscal year  
36 ending June 30, 2002, from the general fund-federal temporary

1 assistance for needy families grant to the higher education  
2 coordinating board to carry out the purposes of this act.

3 (2) The sum of seven million dollars, or as much thereof as may be  
4 necessary, is appropriated for the fiscal year ending June 30, 2003,  
5 from the general fund-federal temporary assistance for needy families  
6 grant to the higher education coordinating board to carry out the  
7 purposes of this act.

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