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**SUBSTITUTE HOUSE BILL 2177**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** House Higher Education (originally sponsored by Representatives Chapman, Steele, Frame, and Tharinger)

AN ACT Relating to creating the rural county high employer demand jobs program; adding new sections to chapter 28B.50 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  (1) The legislature recognizes that:

(a) According to research from Georgetown University, by the year 2020, seventy percent of jobs in Washington state will require at least some education and training beyond high school, which aligns with Washington's educational attainment goals established under RCW 28B.77.020; and

(b) Research by the state board for community and technical colleges and other entities has found that attending college for at least one year and earning a credential results in a substantial boost in earnings for adults who enter a community college with a high school diploma or less.

(2) In addition, the legislature finds that:

(a) Rural counties face unique challenges to achieving full economic and community development in the face of societal trends that concentrate job and population growth in larger metropolitan areas. For example, seventy-five percent of the job growth in Washington by 2018 is projected to be confined to just five large counties. In addition, two-thirds of the state's recent population growth has occurred in the three largest counties and seven counties have actually lost population in recent years.

(b) One barrier to economic growth and investment in many rural counties is the lack of a trained, qualified workforce for the opportunities present in rural areas. These opportunities often require specialized skills tailored for specific, regional employer needs. In many cases, employment opportunities are available in rural communities; however, some assistance is needed to help local residents acquire the skills necessary to access the opportunities in their own backyards.

(3) The legislature declares that opportunity, community vitality, quality of life, and prosperity are essential for all Washington communities. Therefore, the legislature intends to create a program to assist rural communities in growing the workforce the community needs to meet its specific industry sector demands.

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

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible county" has the same meaning as "rural county" defined in RCW 82.14.370.

(b) "Gift aid" means financial aid received from the federal Pell grant, the state need grant program in chapter 28B.92 RCW, the college bound scholarship program in chapter 28B.118 RCW, the opportunity grant program in this chapter, the opportunity scholarship program in chapter 28B.145 RCW, or any other state grant, scholarship, or worker retraining program that provides funds for educational purposes with no obligation of repayment. "Gift aid" does not include student loans, work-study programs, the basic food employment and training program administered by the department of social and health services, or other employment assistance programs that provide job readiness opportunities and support beyond the costs of tuition, books, and fees.

(c) "High employer demand field" means an industry sector, as identified by the college board, within an eligible county in which there is or will likely be a shortage of skilled labor to meet job demands.

(d) "Rural jobs program" means the rural county high employer demand jobs program created in this section.

(2)(a) The rural county high employer demand jobs program is created to meet the workforce needs of business and industry in rural counties by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields.

(b) Subject to the requirements of this section, the rural jobs program provides qualifying students awards in the amount equal to tuition fees and required services and activities fees, as defined in RCW 28B.15.020 and 28B.15.041, for up to forty-five credits or the equivalent of one year of full-time study when the qualifying student enrolls in a community or technical college program that prepares students for a high employer demand field.

(3)(a) The college board must administer the rural jobs program and may adopt rules necessary to implement the rural jobs program. The source of funds for the program shall be a combination of private grants and contributions and state matching funds. A state match may be earned under this section for private contributions made on or after the effective date of this section. A state match, up to a maximum of fifty million dollars annually, shall be provided beginning January 1, 2020. The state match must be based on donations and pledges received as of the date each official state caseload forecast is submitted by the caseload forecast council to the legislative fiscal committees, as provided under RCW 43.88C.020. Nothing in this section expands or modifies the responsibilities of the caseload forecast council.

(b) No later than January 1, 2019, the college board, in consultation with any interested community or technical college located in an eligible county and the county's workforce development council, shall identify high employer demand fields within the eligible counties. When identifying high employer demand fields, the college board must consider:

(i) County-specific employer demand reports issued by the employment security department or the list of statewide high-demand programs for secondary career and technical education established under RCW 28A.700.020; and

(ii) The ability and capacity of the community and technical college to meet the needs of qualifying students and industry in the eligible county.

(c) To the extent funds are available for distribution, the college board shall begin awarding grants under the rural jobs program no later than the fall term of the 2020 academic year.

(d) The college board or the community or technical college may publicize the identified high employer demand fields as part of existing community outreach efforts.

(e) The college board must seek and accept funds from private sources, including private contributions and private foundation or community grants.

(4) To the extent funds are available for distribution and subject to the limits established in this section, the college board shall award to students who meet the criteria in subsection (5) of this section grants in the amount equal to the cost of tuition fees and required services and activities fees as defined in RCW 28B.15.020 and 28B.15.041, less any gift aid received. An award under the rural jobs program may not result in a reduction of any gift aid. Nothing in this section creates any right or entitlement.

(5) To be eligible for a grant award under the rural jobs program, a student must:

(a) Be a resident of an eligible county;

(b) Be a resident student as defined in RCW 28B.15.012;

(c) Be enrolled in a community or technical college located in an eligible county;

(d) Be in a certificate, degree, or other industry-recognized credential or training program that has been identified by the college board as a program that prepares students for a high employer demand field;

(e) Have a family income that does not exceed seventy percent of the state median family income adjusted for family size, as determined by the college board; and

(f) Demonstrate financial need according to the free application for federal student aid (FAFSA) or the Washington application for state financial aid (WASFA).

(6) To remain eligible to receive grant awards under the rural jobs program, the student must maintain a cumulative grade point average of 2.0.

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

(1) The rural jobs program account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the rural county high employer demand jobs program created under section 2 of this act. The purpose of the account is to provide funds for the implementation and administration of the rural jobs program.

(2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the executive director of the college board for the rural jobs program. For private contributions deposited in the account, the state acts in a fiduciary rather than ownership capacity with regard to those assets, and private contributions are not considered state money, common cash, or revenue to the state.

(3) No expenditures from the account to provide grants to students may be made except upon receipt of proof of private contributions to the rural jobs program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the executive director of the college board or the executive director's designee may authorize expenditures from the rural jobs program account. For the purposes of awarding grants, authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.

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