
Education Committee

HB 1355

Brief Description: Establishing the opportunity internship program for high school students.

Sponsors: Representatives Probst, Quall, Kessler, Sullivan, Wallace, Maxwell, Rolfes, Springer, Green, Jacks, Carlyle, Kenney, Ormsby, Seaquist, Lias, Sells, Priest, Dammeier, Hunt, Hudgins, Morrell, Van De Wege, Moeller, Chase, Conway, Goodman, Driscoll, Simpson, Santos and Kelley.

Brief Summary of Bill

- Creates the Opportunity Internship Program (Program) to provide incentives for local consortia to build educational and employment pipelines for low income high school students in high demand occupations in targeted industries.
- Offers outreach, paid internships, counseling, up to one year of financial aid through the State Need Grant, and the promise of a job interview if the students enroll in a high employer demand program of study.
- Provides a \$2,000 payment to a consortia for each Program graduate who completes a postsecondary high employer demand program of study and obtains and retains employment in a high demand occupation for at least six months.
- Provides a credit on Business and Occupation taxes for employers who offer paid internships to students in the Program.

Hearing Date: 1/28/09

Staff: Barbara McLain (786-7383)

Background:

Workforce Development.

The workforce development system in Washington has federal, state, and local components. The Workforce Training and Education Coordinating Board (Workforce Board) is a state agency charged with coordinating planning, policy, and accountability for 18 workforce programs

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administered by seven different agencies. At the local level there are 12 Workforce Development Councils (WDCs) that are non-profit organizations made up of a broad array of community organizations, businesses, labor, education agencies, and local governments. The WDCs coordinate local workforce development services, provide outreach to employers, convene local leaders to address regional and industry-specific issues, and oversee the state's WorkSource system to deliver employment and training services. One of the target populations for the WDC services is disadvantaged youth.

In-Demand Scholars.

In 2005, the Association of the 12 WDCs received an earmark grant from the U. S. Department of Labor to create an internship and scholarship program for high school students that was intended to address local workforce needs in strategic growth industries. The In-Demand Scholars Program included classroom presentations by industry executives, internships or job shadows for students, and scholarships for postsecondary training for eligible students to give them the skills needed to develop careers in the targeted industries. Six of the WDCs participated and, over the course of a little over two years, provided a total of 144 scholarships.

State Need Grant.

The State Need Grant (SNG) is the state's primary financial aid program to assist needy students with the costs of postsecondary education. Students with family incomes of up to 70 percent of the state median family income are eligible for a grant for up to five years of study at an institution of higher education approved by the Higher Education Coordinating Board to participate in the program. In 2007-08, approximately 70,000 students received \$182 million in grants from the SNG. Students can use the grant for tuition, room, board, books, and fees.

Summary of Bill:

The Opportunity Internship Program (Program) is created to provide 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). Consortia are composed of the local Workforce Development Council (WDC), 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.

Under the Program, consortia commit to the following activities, using existing federal, state, and private resources:

- Identify high demand occupations in targeted industries for which internships will be developed and provided for low income students;
- Develop paid internships, mentoring, and guidance for students;
- Guarantee a job interview if a participating student completes postsecondary education in a high employer demand program of study;
- Conduct outreach efforts to inform students about the program and high demand occupations in targeted industries;
- Maintain communication with program graduates who enroll in high employer demand programs of study; and
- Submit an annual report to the Workforce Board.

Consortia are encouraged to designate the WDC as fiscal agent; provide summer internships; work with area high schools to incorporate the Program into counseling programs; and coordinate with other workforce education and financial aid programs.

A low income student is one in 10th, 11th, or 12th grade in a public high school who qualifies for federal free and reduced price meals at the time of entry into the Program. A high demand occupation is one with a substantial number of employment opportunities that pays a starting salary of at least \$30,000 per year. A high employer demand program of study is an undergraduate or graduate certificate, apprenticeship, or degree program where the number of students prepared per year is substantially less than the number of projected openings per year

The Workforce Board selects up to 10 consortia with the strongest commitment, readiness, capacity, and experience to operate a program. The Board attempts to select consortia representing a geographic distribution across the state and a variety of targeted industries. Each consortium may select no more than 100 low income students per year to participate.

Each year, the consortia submit lists of Program graduates to the Workforce Board, including the high employer demand program of study of the graduate. The Workforce Board sends the lists to the Higher Education Coordinating Board. Those Program graduates who enroll in their high employer demand program of study within one year of high school graduation are eligible to receive a State Need Grant (SNG) for up to one year and are given priority over other possible recipients of the SNG. Program graduates must be enrolled in an approved institution of higher education, which can include related and supplemental instruction for apprentices that is provided through a community or technical college. Program graduates who are in an apprenticeship program can use the SNG award to pay for instruction, tools, and other program costs.

Each employer in a consortium that offers a paid internship to a low income high school student in the Program receives a credit from Business & Occupation taxes for 1.5 percent of the salary paid in the internship.

Subject to funds provided for this purpose, a consortium receives a \$2,000 payment for each Program graduate who completes a postsecondary high employer demand program of study and then obtains and retains employment in a high demand occupation for at least six months. If there are not sufficient funds, the Workforce Board prorates the payment across the consortia and informs the Governor and Legislature of the amount of the shortfall. Payments must be used to continue operating Programs.

The Workforce Board conducts an outcome evaluation of the financial benefits of the Program. A preliminary analysis is due December 1, 2012, and a final analysis is due by December 1, 2014.

Appropriation: None.

Fiscal Note: Requested on 1/19/2009.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.