

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 155
June 16, 2011**

SPECIAL SESSION WRAP-UP

Background

During the 2011 special session, the Legislature finalized the 2011-2013 operating budget and passed a number of bills related to the budget.

At the Board meeting, staff will review the budget and related bills. Included in this tab is a summary of workforce-related items in the biennial budget adopted by the Legislature and a description of workforce-related bills that passed during the special session.

Board Action Requested: None. For discussion purposes only.

**2011-2013 Operating Budget
(As Passed Legislature)
Workforce-Related Items**

GF-S = General Fund-State
FY = Fiscal Year

Workforce Board

Budget Reduction:

\$315,000 (10 percent) reduction in GF-S (does not include 3 percent salary reduction, additional salary reductions for high-wage earners, or COLA cutbacks).

Washington Award for Vocational Excellence (WAVE):

Budget language directs the Workforce Board to not designate recipients of WAVE or recognize them at award ceremonies for the 2011-2013 biennium.

Office of Superintendent of Public Instruction

Navigation 101:

\$2,808,000 of GF-S for FY 2012 and **\$2,808,000** of GF-S for FY 2013 (**-624,000**) are provided solely for the dissemination of the Navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of Navigation 101 on student performance, as well as grants to a maximum of 100 school districts each year, based on progress and need for the implementation of the Navigation 101 program.

CTE High Demand Grants/First Robotics:

\$977,000 of GF-S for FY 2012 and **\$977,000** of GF-S for FY 2013 (**+130,000**) are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, \$300,000 of the 2012 appropriation and \$300,000 of the 2013 appropriation shall be used to support FIRST robotics programs.

Pay for Actual Student Success (PASS) Act:

\$1,500,000 of GF-S for FY 2012 and **\$1,500,000** of GF-S for FY 2013 are provided solely for the implementation of chapter 288, Laws of 2011 (Pay for Actual Student Success Program), including allocations to the Opportunity Internship program, the Jobs for America's Graduates program, the Building Bridges program, and services provided by a college scholarship organization. Funding shall not be used in the 2011-2013 fiscal biennium to provide awards for schools and school districts.

Building Bridges Program:

\$337,000 of GF-S for FY 2012 and **\$337,000** of GF-S for FY 2013 (same level as FY 2010) are provided solely for implementation of the Building Bridges statewide program for comprehensive dropout prevention, intervention, and reengagement strategies.

Jobs for America’s Graduates:

\$135,000 of GF-S for FY 2012 and **\$135,000** of GF-S for FY 2013 (**-\$30,000**) are provided solely for dropout prevention programs at the Office of Superintendent of Public Instruction, including the Jobs for America’s Graduates (JAG) program.

STEM Lighthouses:

\$135,000 of GF-S for FY 2012 and **\$135,000** of GF-S for FY 2013 (**-\$30,000**) are provided solely for science, technology, engineering and mathematics lighthouse projects.

Pre-Apprenticeship Programs grants: Funding suspended (**-\$350,000**).

Skills Center Director: Funding eliminated (**-\$196,000**).

CTE Student Leadership Organizations: Funding eliminated (**-\$194,000**).

Summer Vocational Skill Center Program: Funding eliminated (**-\$4,770,000**).

Information Technology Academy:

\$2 million of GF-S for FY 2012 and **\$2 million** of GF-S for FY 2013 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

State Board for Community and Technical Colleges

Worker Retraining:

\$4.5 million of GF-S for FY 2012 and **\$4.5 million** of GF-S for FY 2013 are provided solely for worker retraining (in addition to base funding of **\$28,761,000** of GF-S for FY 2012 and **\$28,761,000** of GF-S for FY 2013) as special funds for training and related support services.

Student Achievement Initiative:

Of the amounts appropriated to SBCTC, **\$5 million** is provided solely for the Student Achievement Initiative.

High-Employer Demand Programs:

When implementing their appropriations, the SBCTC and the trustees of the individual community and technical colleges are required to “minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-2009 levels.”

Applied Baccalaureate Degree Programs:

- Bellevue College is authorized to offer applied baccalaureate degrees in information technology, health care services and management, biotechnology, and pre-professional preparation for medical fields. These degrees shall be directed at high school graduates and transfer-oriented degree professional and technical degree holders.
- The Seattle Community College district is authorized to offer applied baccalaureate degree programs in business/international business and technology management, interactive and

artistic digital media, sustainability, building science technology, and allied and global health. These degrees shall be directed at high school graduates and professional and technical degree holders.

Higher Education Coordinating Board

(replaced by the Office of Student Financial Assistance and the Council of Higher Education effective July 1, 2012)

Washington Award for Vocational Education (WAVE): Suspended for the 2011-2013 biennium. Provides an appropriation for awards made in prior years.

Washington Scholars: Suspended for the 2011-2013 biennium. Provides an appropriation for awards made in prior years.

Health Professionals Conditional Scholarship: Suspended for the 2011-2013 biennium. Provides an appropriation for awards made in prior years.

Aerospace Training Scholarship/Training:

\$250,000 of GF-S for **FY 2012** is provided solely for implementation of the aerospace training scholarship and student loan program as specified in ESHB 1846 (aerospace student loans).

Student Financial Aid: Shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits.

Work Study Program: \$14,320,000 reduction.

Office of Student Financial Assistance

Aerospace Training Scholarship/Training:

\$250,000 of GF-S for **FY 2013** is provided solely for implementation of the aerospace training scholarship and student loan program as specified in ESHB 1846 (aerospace student loans).

Opportunity Scholarship Program: No line item; \$2.5 million in agency summary.

Department of Commerce

Economic Development Commission:

Within the department appropriations, specific funding is provided to implement SSB 5741 (economic development commission). (**-\$80,000 = 10 percent reduction from current funding level**).

Associate Development Organizations:

\$2,949,000 of GF-S for FY 2012 and **\$2,949,000** of GF-S for FY 2013 (**-\$565,000**) are provided solely for associate development organizations.

Microenterprises: Funding reduced (**-\$39,000 = 10 percent reduction**).

Innovation Research Teams (STARS):

\$1,859,000 of GF-S for FY 2012 and **\$1,859,000** of GF-S for FY 2013 (**-\$100,000**) are provided solely for innovative research teams, also known as entrepreneurial STARS, at higher education research institutions, and for entrepreneurs-in-residence programs at higher education research institutions and entrepreneurial assistance organizations.

Tourism Development: Funding eliminated (**-\$3,812,000 GF-S**).

Western Washington University Small Business Development Center: Funding Eliminated (**-\$593,000**).

Cluster Grants: **\$100,000** is provided for the Department to administer a competitive grant program to fund economic development activities designed to further regional cluster growth and to integrate sector-based and cluster-based strategies with its support for the development of Innovation Partnership Zones (IPZ).

Washington Technology Center: **-\$951,000 = 10 percent reduction.**

Washington Technology Center Transfer: Pursuant to SB 5764, the Washington Technology Center merges with the Spokane Intercollegiate Research and Technology Institute to form Innovate Washington. WTC funding is transferred to Innovate Washington (**\$3,806,000 transfer**).

Washington State University

Naval Shipyard Career Path (2+2+2):

Within available funds, Washington State University is to serve an additional cohort of 15 full-time equivalent students in the mechanical engineering program located at Olympic College.

Workforce-Related Bills Passed in Special Session

ESHB 1548 – Long-Term Care Workers – Prime Sponsor – Rep. Hunter

Delays the implementation of long-term care worker home care aide certification, revised training requirements, and enhanced fingerprint-based background checks to begin with those hired on or after January 1, 2014, and delays long-term care worker continuing education requirements to July 1, 2014.

E2SHB 1795 – Higher Education Opportunity Act – Prime Sponsor – Rep. Carlyle

Grants four-year colleges and universities the authority to set tuition and fees. If the institutions raise tuition and fees above certain levels identified in the state budget, they must ensure that certain levels of financial aid are provided. In 2019-2020, tuition setting authority reverts back to the legislature.

The bill also establishes new requirements to increase the transferability of credits between community and technical college academic transfer programs and four-year institutions and establishes new outcome reporting requirements for the four-years. The bill establishes a goal of increasing baccalaureate degrees by 6,000 by 2018, 2,000 of which must be in STEM fields.

The main provisions directly affecting workforce education are:

- The State Board for Community and Technical Colleges MAY establish differential tuition.
- The State Need Grant will no longer be strictly first come, first serve. Need will be taken into account.
- Community and Technical Colleges (and four-years) may charge Running Start students up to 10 percent the value of tuition and fees.
- The bill codifies the work of the credit for prior learning workgroup on which the Workforce Board is represented. This includes the requirement that colleges track credits issued for prior learning.

ESHB 2088 – Opportunity Scholarship Act – Prime Sponsor – Rep. Probst

The Governor will appoint the seven members of a newly created Opportunity Scholarship Board. The Board will identify eligible education and training programs for purposes of the Opportunity Scholarship, select institutions of higher education to receive Opportunity Expansion awards, and make recommendations with respect to funding sources for Opportunity Expansion awards.

The **Opportunity Scholarship** Program is created to provide scholarships to low- and middle-income Washington residents to help them earn baccalaureate degrees in high employer demand and other programs of study. The scholarships are funded by a combination of private and state monies. The Higher Education Coordinating Board (HECB) will contract with a nonprofit entity to manage the Opportunity Scholarship Program.

Opportunity Scholarship recipients must (1) be a resident student who has received their high school diploma or GED in Washington; (2) be accepted into an eligible education program as determined by the Board; (3) declare an intention to obtain a baccalaureate degree (whether starting at a two- or four-year school); and (4) have a family income at or below 125 percent of the median family income. **(Workforce education students are not eligible).**

The **Opportunity Expansion** program is created. The Opportunity Scholarship Board will distribute Opportunity Expansion competitive grants to public institutions of higher education that propose programs designed to increase the number of baccalaureate degrees produced in high employer demand and other programs of study. Criteria will be developed by the Board for evaluating proposals and awarding funds and priority will be given to proposals that include a public-private partnership that leverages additional private funds. Institutions of higher education that receive these awards may not supplant existing general fund state revenues with these monies. This program will initially be funded through voluntary contributions of the existing high technology research and development (R&D) tax credits.

The bill also requires the Workforce Board to include in the comprehensive plan for workforce development specific strategies to reach the goal of increasing the percentage of Washington households living in the “middle-income bracket” or higher.

E2SSB 5182 – Student Financial Assistance – Prime Sponsor – Sen. White

Establishes the Office of Student Financial Assistance as a separate, new state agency. All of the student financial assistance functions of the Higher Education Coordinating Board (HECB) are transferred to the Office of Student Financial Assistance effective July 1, 2012. Among the functions transferred is the administration of the Washington Award for Vocational Excellence (WAVE).

The Steering Committee on Higher Education is created to establish the purpose and functions of a new Council for Higher Education. The Steering Committee will consist of the Governor or the governor’s designee, who will chair the Committee, two members from the House, two members from the Senate, “an equal representation from the key sectors of the higher education system,” and at least two members representing the public appointed by the Governor.

Among other matters, the Steering Committee will consider “the coordination of institutions of higher education and sectors with specific attention to strategic planning, system design, and transfer and articulation.” The Steering Committee will recommend the composition of the new Council for Higher Education. The Steering Committee will consider the input of a list of stakeholders that includes the Workforce Board. The Office of Financial Management will provide staff support for the Steering Committee. The Steering Committee will report its recommendations and proposed legislation by December 1, 2011.

The Council for Higher Education is established and the Higher Education Coordinating Board is abolished effective July 1, 2012 subject to legislation enacted by the 2012 legislature.

2ESB 5764 – Innovate Washington – Prime Sponsor- Sen. Kastama

Creates Innovate Washington as the successor agency to the Washington Technology Center and to the Spokane Intercollegiate Research and Technology Institute. Its primary goal is to respond to the technology transfer needs of existing businesses in the state.

Innovate Washington is also charged with:

- Facilitating research supportive of state industries and aiding the collaboration between technology-based industries and higher education institutions.
- Helping businesses secure research funds and develop and integrate technology into new product.
- Offer technology transfer and commercialization training opportunities.

- Serve as the lead entity for coordinating clean energy initiatives; and administering technology and innovation grant loan programs.

Innovate Washington's five-year business plan must include a strategy for implementation of the first three market-driven initiatives in the Clean Energy Leadership Council's 2010 report, which cover:

- Energy efficiency, green buildings, and smart grid.
- Renewable energy resource optimization and smart grid deployment.
- Bioenergy deployment acceleration.