

IN THE SENATE

SENATE BILL NO. 1167

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE WORKFORCE DEVELOPMENT COUNCIL; AMENDING SECTION 1 OF HOUSE  
2 BILL NO. 24, IF ENACTED BY THE FIRST REGULAR SESSION OF THE SIXTY-SEV-  
3 ENTH IDAHO LEGISLATURE, TO REVISE LEGISLATIVE INTENT; AMENDING SECTION  
4 72-1204, IDAHO CODE, AS ADDED BY SECTION 2 OF HOUSE BILL NO. 24, IF EN-  
5 ACTED BY THE FIRST REGULAR SESSION OF THE SIXTY-SEVENTH IDAHO LEGISLA-  
6 TURE, TO REVISE PROVISIONS REGARDING THE IDAHO LAUNCH GRANT PROGRAM AND  
7 IN-DEMAND CAREERS FUND AND TO PROVIDE A SUNSET DATE; AMENDING SECTION  
8 72-1205, IDAHO CODE, AS ADDED BY SECTION 3 OF HOUSE BILL NO. 24, IF EN-  
9 ACTED BY THE FIRST REGULAR SESSION OF THE SIXTY-SEVENTH IDAHO LEGISLA-  
10 TURE, TO REVISE PROVISIONS REGARDING THE IDAHO LAUNCH GRANT PROGRAM AND  
11 IN-DEMAND CAREERS FUND AND TO PROVIDE A SUNSET DATE; AMENDING SECTION  
12 33-4305, IDAHO CODE, AS AMENDED IN SECTION 4 OF HOUSE BILL NO. 24, IF  
13 ENACTED BY THE FIRST REGULAR SESSION OF THE SIXTY-SEVENTH IDAHO LEGIS-  
14 LATURE, TO REVISE PROVISIONS REGARDING THE IN-DEMAND CAREERS FUND AND  
15 TO PROVIDE FOR CERTAIN DATA REPORTING BY THE COUNCIL; AMENDING SECTION  
16 33-4303, IDAHO CODE, AS AMENDED IN SECTION 7 OF HOUSE BILL NO. 24, IF  
17 ENACTED BY THE FIRST REGULAR SESSION OF THE SIXTY-SEVENTH IDAHO LEGIS-  
18 LATURE, TO REVISE PROVISIONS REGARDING THE IDAHO OPPORTUNITY SCHOLAR-  
19 SHIP; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.  
20

21 Be It Enacted by the Legislature of the State of Idaho:

22 SECTION 1. That Section 1 of House Bill No. 24, if enacted by the First  
23 Regular Session of the Sixty-seventh Idaho Legislature, be, and the same is  
24 hereby amended to read as follows:

25 SECTION 1. LEGISLATIVE INTENT. The purpose of this act is  
26 to enable the Workforce Development Council to coordinate the  
27 state's policy to match Idaho students with Idaho jobs in in-demand  
28 fields. The Legislature finds that there are many pathways to a  
29 successful career, including workforce training, career technical  
30 programs, community colleges, and colleges. The Legislature fur-  
31 ther finds that an educated workforce is an enormous asset for the  
32 state's economy. With unemployment at record lows and inflation  
33 at record highs, the need for skilled workers is critical for our  
34 state's continued economic prosperity. The Legislature further  
35 finds that oversight and accountability of the Idaho Launch Grant  
36 Program are paramount and will require annual reports to inform  
37 annual appropriation decisions. To that end, it is the intent of  
38 the Legislature to tailor the initial Idaho Launch appropriation  
39 from the In-Demand Careers Fund to the number of eligible student  
40 applicants. Based on recent postsecondary go-on rates by Idaho  
41 graduates, the initial cost estimate is approximately \$60 million  
42 to \$70 million.

1 SECTION 2. That Section 72-1204, Idaho Code, as added by Section 2 of  
 2 House Bill No. 24, if enacted by the First Regular Session of the Sixty-sev-  
 3 enth Idaho Legislature, be, and the same is hereby amended to read as fol-  
 4 lows:

5 72-1204. IDAHO LAUNCH GRANT PROGRAM AND IN-DEMAND CAREERS FUND -- DEF-  
 6 INITIATIONS. (1) As used in this section through section 72-1206, Idaho Code:

7 ~~(1)~~ (a) "Board" means the state board of education.

8 ~~(2)~~ (b) "Council" means the workforce development council established  
 9 in this chapter.

10 ~~(3)~~ (c) "Eligible adult learner" means an Idaho resident who is pursu-  
 11 ing education or training for an in-demand career.

12 ~~(4)~~ (d) "Eligible education expenses" means:

13 ~~(a)~~ Student student tuition and fees at an eligible institution;  
 14 however, in no case shall the council reimburse more than eighty percent  
 15 (80%) of a program's total tuition and fees or more than eight thousand  
 16 dollars (\$8,000), whichever is less.

17 ~~(b)~~ Room and board for the eligible institution, not to exceed actual  
 18 cost; or

19 ~~(c)~~ Fees for national standardized assessments or industry-recognized  
 20 certification examinations.

21 ~~(5)~~ (e) "Eligible institution" means a training provider as recognized  
 22 by the council under the workforce innovation and opportunity act or the  
 23 workforce development training fund. Eligible institution also means a  
 24 ~~public postsecondary organization governed or supervised by the board,~~  
 25 a board of trustees of a community college established pursuant to the  
 26 provisions of chapter 21, title 33, Idaho Code, ~~or any educational or-~~  
 27 ~~organization located in Idaho that is:~~

28 ~~(a)~~ Operated privately;

29 ~~(b)~~ Classified as not-for-profit under state law;

30 ~~(c)~~ Under the control of an independent board and not directly con-  
 31 trolled or administered by a public or political subdivision; and

32 ~~(d)~~ Accredited by an organization recognized by the board as provided  
 33 in section 33-2402, Idaho Code.

34 ~~(6)~~ (f) "Eligible student" means a student who:

35 ~~(a)~~ (i) Is an Idaho resident;

36 ~~(b)~~ (ii) Will graduate from an accredited high school or its  
 37 equivalent in Idaho as determined by the board beginning with the  
 38 spring 2024 graduating class;

39 ~~(c)~~ (iii) Has enrolled in or applied to an eligible institution  
 40 and begins enrollment in the fall semester following graduation,  
 41 unless the council grants an extension for extenuating circum-  
 42 stances such as those outlined in section 72-1205, Idaho Code; and

43 ~~(d)~~ (iv) Has used next steps Idaho or an equivalent career explo-  
 44 ration program accepted by the council and has completed a career  
 45 pathway plan that meets the minimum requirements established by  
 46 the council.

47 ~~(7)~~ (g) "Grant" means an amount to be determined annually by the council  
 48 that shall not ~~be set lower than~~ exceed eight thousand ~~five hundred dol-~~  
 49 ~~lars (\$8,500)~~ (\$8,000) per eligible student.

1 ~~(8)~~ (h) "Grant distribution platform" means a digital platform through  
 2 which grant funds are transferred from the council to the account of a  
 3 participant to be used for eligible education expenses.

4 ~~(9)~~ (i) "In-demand careers" means careers that have a high number of  
 5 openings in Idaho or an expected high rate of growth in Idaho. In-demand  
 6 careers are to be determined annually by the council based on job market  
 7 data and shall be submitted annually in a report to the legislature by  
 8 January 1.

9 ~~(10)~~ (j) "Participant" means an Idaho resident for whom a grant is  
 10 awarded under section 72-1205, Idaho Code, and who has met the minimum  
 11 academic standards of, and has been accepted into, an eligible institu-  
 12 tion.

13 ~~(11)~~ (k) "Program" means the Idaho launch grant program established by  
 14 section 72-1205, Idaho Code.

15 ~~(12)~~ (l) "Resident" means an individual meeting legal residency re-  
 16 quirements as defined in section 33-3717B, Idaho Code.

17 (2) The provisions of this section shall be null, void, and of no force  
 18 and effect on and after July 1, 2029.

19 SECTION 3. That Section 72-1205, Idaho Code, as added in Section 3 of  
 20 House Bill No. 24, if enacted by the First Regular Session of the Sixty-sev-  
 21 enth Idaho Legislature, be, and the same is hereby amended to read as fol-  
 22 lows:

23 72-1205. IDAHO LAUNCH GRANT PROGRAM. (1) There is hereby established  
 24 the Idaho launch grant program to be administered by the council according  
 25 to the provisions of this section. The purpose of the program is to provide  
 26 education grants for eligible students.

27 (2) In order to administer the program, the council shall consult with  
 28 necessary agencies to:

29 (a) Create and administer, or designate a third party to create and ad-  
 30 minister, a grant distribution platform;

31 (b) Establish a grant application process for eligible students. To  
 32 ensure eligible students receive notification prior to postsecondary  
 33 institution enrollment deadlines, the council may stagger applications  
 34 so that initial grant awards are announced by December 31 in the year  
 35 preceding an eligible student's graduation from high school and that  
 36 additional grant awards be made no later than June 1 of the academic year  
 37 the eligible student graduates from high school;

38 (c) Award grants to eligible students, subject to legislative appro-  
 39 priation and to the following conditions:

40 (i) If eligible student applications exceed available funding in  
 41 a fiscal year, grant awards shall be prioritized first based on the  
 42 pursuit of in-demand careers. If additional funds remain, priori-  
 43 tization shall then be based on financial need; and

44 (ii) If available funding in a fiscal year exceeds eligible stu-  
 45 dents, any unused appropriations may be used in accordance with  
 46 section 72-1206(4), Idaho Code; and

47 (d) Take other such actions as are necessary to implement and enforce  
 48 the provisions of this section.

1 (3) Participants must expend all grant funds within ~~four (4)~~ three (3)  
 2 years of the award date. Any remaining funds after a break in enrollment  
 3 exceeding six (6) months or unused funds at the end of the ~~four (4)~~ three  
 4 (3) year period shall revert to the in-demand careers fund established in  
 5 section 72-1206, Idaho Code. The council or its designated staff may grant  
 6 an extension or exception by demonstrating to the council an extenuating  
 7 circumstance, including but not limited to religious service, military ser-  
 8 vice, structured volunteer service, or health or medical issues.

9 (4) No more than one half (1/2) of the initial grant award may be ex-  
 10 pended by a participant in any academic year; provided, however, that this  
 11 subsection shall not apply:

12 (a) To a participant in a program that is less than twelve (12) months in  
 13 length; or

14 (b) In other extenuating circumstances as determined by the council.

15 (5) Grant awards shall be capped at one (1) grant per eligible student.

16 (6) The council shall adopt policies outlining triggering events that  
 17 may lead to earlier reversion of student grants or repayment grants, in-  
 18 cluding but not limited to unsatisfactory academic progress, expulsion, or  
 19 transfer to an out-of-state program prior to attainment of a credential or  
 20 degree. Any reverted or repaid grants shall be paid to the in-demand careers  
 21 fund established in section 72-1206, Idaho Code.

22 (7) The provisions of this section shall be null, void, and of no force  
 23 and effect on and after July 1, 2029.

24 SECTION 4. That Section 33-4305, Idaho Code, as amended in Section 4 of  
 25 House Bill No. 24, if enacted by the First Regular Session of the Sixty-sev-  
 26 enth Idaho Legislature, be, and the same is hereby amended to read as fol-  
 27 lows:

28 72-1206. IN-DEMAND CAREERS FUND. (1) There is hereby established in  
 29 the state treasury the in-demand careers fund.

30 (2) Moneys in the in-demand careers fund are subject to legislative ap-  
 31 propriation and shall consist of the following:

32 (a) Legislative appropriations;

33 (b) Donations and contributions made to the fund;

34 (c) Interest earned on idle moneys in the fund;

35 (d) Moneys transferred pursuant to section 63-3638(17), Idaho Code;

36 (e) Moneys reverted or repaid to the fund pursuant to section 72-1205,  
 37 Idaho Code; and

38 (f) Moneys transferred pursuant to section 33-4602(14), Idaho Code.

39 (3) The in-demand careers fund shall be used to award grants as outlined  
 40 in section 72-1205, Idaho Code.

41 (4) When the available appropriation in a fiscal year exceeds partici-  
 42 pants, the council may use excess moneys as follows:

43 (a) Up to ten million dollars (\$10,000,000) of the remaining appropri-  
 44 ation may be used to provide enhanced grant funding to either eligible  
 45 students or eligible adult learners based upon the following condi-  
 46 tions:

47 (i) If potential awards from the council exceed available funding  
 48 from the enhanced grants, awards shall be prioritized first based  
 49 on the pursuit of in-demand careers; and

1 (ii) If, following the prioritization provided for in subpara-  
 2 graph (i) of this paragraph, additional moneys remain for awards,  
 3 prioritization shall then be based on financial need.

4 ~~(b) In cases in which the demand for enhanced grants as provided for in~~  
 5 ~~this subsection exceeds the available appropriation, the council may~~  
 6 ~~give preference to eligible students who pursue programs that offer~~  
 7 ~~a money-back guarantee if the program's graduates do not find work in~~  
 8 ~~their chosen field within a certain time period after graduation.~~

9 ~~(e) (b)~~ The remaining appropriation shall be retained in the fund and  
 10 be subject to legislative appropriation in subsequent legislative ses-  
 11 sions for the purposes of expanding in-demand career training opportu-  
 12 nities.

13 (5) By January 1 each year, the council shall report sufficient data to  
 14 the legislature regarding:

15 (a) The number and demographics of eligible students applying for  
 16 grants;

17 (b) The number and type of eligible institutions approved by the coun-  
 18 cil;

19 (c) The list of in-demand careers prioritized by the council;

20 (d) The number of grants awarded and demographics of participants; and

21 (e) Data to demonstrate the effectiveness of the program, including  
 22 but not limited to program completion rates, satisfactory academic  
 23 progress, job placement rates, and retention rates of participants in  
 24 Idaho upon program completion.

25 SECTION 5. That Section 33-4303, Idaho Code, as amended in Section 7 of  
 26 House Bill No. 24, if enacted by the First Regular Session of the Sixty-sev-  
 27 enth Idaho Legislature, be, and the same is hereby amended to read as fol-  
 28 lows:

29 33-4303. IDAHO OPPORTUNITY SCHOLARSHIP. (1) The purposes of this sec-  
 30 tion are to:

31 (a) Recognize that all Idaho citizens benefit from an educated citi-  
 32 zenry;

33 (b) Increase individual economic vitality and improve the overall  
 34 quality of life for many of Idaho's citizens;

35 (c) Provide access to eligible Idaho postsecondary education through  
 36 funding to remove financial barriers;

37 (d) Increase the opportunity for economically disadvantaged Idaho stu-  
 38 dents; and

39 (e) Incentivize students to complete a postsecondary education degree  
 40 or certificate.

41 (2) For the purposes of this section, the following definitions shall  
 42 apply:

43 (a) "Educational costs" means the dollar amount determined annually  
 44 by the state board of education as necessary for student tuition, fees,  
 45 books, and such other expenses reasonably related to attendance at an  
 46 eligible Idaho postsecondary educational institution.

47 (b) "Eligible Idaho postsecondary educational institution" means a  
 48 public postsecondary organization governed or supervised by the state  
 49 board, the board of regents of the university of Idaho, a ~~board of~~

1 ~~trustees of a community college established pursuant to the provisions~~  
 2 ~~of chapter 21, title 33, Idaho Code, or the state board for career tech-~~  
 3 ~~nical education or any educational organization located in Idaho that~~  
 4 is:

- 5 (i) Operated privately;
- 6 (ii) Classified as not-for-profit under state law;
- 7 (iii) Under the control of an independent board and not directly
- 8 controlled or administered by a public or political subdivision;
- 9 and
- 10 (iv) Accredited by an organization recognized by the state board
- 11 as provided in section 33-2402, Idaho Code.

12 (c) "Eligible student" means a student who:

- 13 (i) Is an Idaho resident as defined in section 33-3717B, Idaho
- 14 Code;
- 15 (ii) Has graduated or will graduate ~~prior to July 1, 2023,~~ from an
- 16 accredited high school or its equivalent in Idaho as determined by
- 17 the state board;
- 18 (iii) Has enrolled or applied to an eligible Idaho postsecondary
- 19 educational institution;
- 20 (iv) Is a postsecondary undergraduate student who has not pre-
- 21 viously completed a baccalaureate (bachelor's) degree or higher;
- 22 and
- 23 (v) Meets need and merit criteria as set by the state board.

24 "Eligible student" also means a student who has met the eligibility  
 25 requirements and was awarded an opportunity scholarship prior to June  
 26 30, 2014. Continued eligibility shall be based upon the eligibility  
 27 requirements at the time of the original award.

28 (d) "Opportunity scholarship program" means the scholarship program  
 29 described in this section and in the rules established by the state  
 30 board.

31 (e) "Shared model of responsibility" means a model set by the board to  
 32 determine the required and expected contributions of the student, the  
 33 student's family and available federal financial aid.

34 (f) "State board" means the state board of education.

35 (3) The state board shall promulgate rules to determine student eligi-  
 36 bility, academic and financial eligibility, a process for eligible students  
 37 to apply, amount of awards, how eligible students will be selected and when  
 38 the awards shall be made, as well as other rules necessary for the adminis-  
 39 tration of this section.

40 (4) An eligible student must:

41 (a) Apply or have applied for federal student financial assistance  
 42 available to an eligible student who will attend or is enrolled in an  
 43 eligible Idaho postsecondary educational institution; and

44 (b) Meet need and merit criteria established by the state board in rule.

45 (5) Funds that are available for the opportunity scholarship program  
 46 shall be used to provide scholarships based upon a shared model of respon-  
 47 sibility between the scholarship recipient and the recipient's family, the  
 48 federal government, and the participating eligible Idaho postsecondary  
 49 educational institution that the recipient attends for covering the educa-  
 50 tional costs.

1 (6) Up to twenty percent (20%) of funds that are available for the op-  
2 portunity scholarship program may be used for awards to adult students who  
3 have earned at least twenty-four (24) credits toward a postsecondary degree  
4 or certificate and who return to an eligible Idaho postsecondary educational  
5 institution to complete a certificate or degree.

6 (7) The opportunity scholarship award shall not exceed the actual edu-  
7 cational costs at the eligible Idaho postsecondary educational institution  
8 that the student attends. The amount of scholarship shall not exceed the ed-  
9 ucational costs established by the state board.

10 (8) Award payments shall be made annually to an eligible Idaho postsec-  
11 ondary educational institution. In no instance may the entire amount of an  
12 award be paid to or on behalf of such student in advance.

13 (9) If an eligible student becomes ineligible for a scholarship under  
14 the provisions of this chapter, or if a student discontinues attendance be-  
15 fore the end of any semester, quarter, term, or equivalent covered by the  
16 award after receiving payment under this chapter, the eligible Idaho post-  
17 secondary educational institution shall remit, up to the amount of any pay-  
18 ments made under this program, any prorated tuition or fee balances to the  
19 state board.

20 (10) There is hereby created an account in the state treasury to be des-  
21 ignated the opportunity scholarship program account.

22 (a) The account shall consist of moneys appropriated to the account by  
23 the legislature, moneys contributed to the account from other sources,  
24 and the earnings on such moneys. The executive director of the state  
25 board may receive on behalf of the state board any moneys or real or per-  
26 sonal property donated, bequeathed, devised, or conditionally granted  
27 to the state board for purposes of providing funding for such account.  
28 Moneys received directly or derived from the sale of such property shall  
29 be deposited by the state treasurer in the account.

30 (b) Earnings from moneys in the account or specified gifts shall be  
31 distributed annually to the state board to implement the opportunity  
32 scholarship program as provided for under the provisions of this chap-  
33 ter.

34 (c) All moneys placed in the account and earnings thereon are hereby  
35 perpetually appropriated to the state board for the purpose described  
36 in paragraph (b) of this subsection. All expenditures from the account  
37 shall be paid out in warrants drawn by the state controller upon presen-  
38 tation of the proper vouchers. Up to fifty thousand dollars (\$50,000)  
39 of the annual earnings distribution to the state board may be used by the  
40 state board annually for administrative costs related to the implemen-  
41 tation of the provisions of this chapter.

42 (d) Allowable administrative costs include, but are not limited to, op-  
43 erating expenses for the implementation and maintenance of a database,  
44 operating expenses to administer the program, personnel costs neces-  
45 sary to administer the program, and costs related to promoting aware-  
46 ness of the program.

47 (e) Any unused annual funds shall be deposited into the opportunity  
48 scholarship program account.

49 (f) Pending use, surplus moneys in the account shall be invested by the  
50 state treasurer or endowment fund investment board in the same manner

1 as provided under section 67-1210 or 68-501, Idaho Code, as applicable.  
2 Interest earned on the investments shall be returned to the account.

3 (11) The effectiveness of the Idaho opportunity scholarship will be  
4 evaluated by the state board on a regular basis. This evaluation will in-  
5 clude annual data collection as well as longer-term evaluations.

6 ~~(12) No new opportunity scholarships, excluding renewals, may be~~  
7 ~~awarded by the board on or after July 1, 2023.~~

8 SECTION 6. An emergency existing therefor, which emergency is hereby  
9 declared to exist, this act shall be in full force and effect on and after  
10 July 1, 2023.