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SENATE BILL NO. 576**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Education and Health
on February 11, 2016)

(Patron Prior to Substitute—Senator Ruff)

A *BILL* to amend the Code of Virginia by adding in Title 23 a chapter numbered 4.03, consisting of sections numbered 23-38.10:14 through 23-38.10:20, relating to the establishment of the New Economy Workforce Credential Grant Program.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 23 a chapter numbered 4.03, consisting of sections numbered 23-38.10:14 through 23-38.10:20, as follows:

CHAPTER 4.03.**NEW ECONOMY WORKFORCE CREDENTIAL GRANT PROGRAM.****§ 23-38.10:14. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Board" means the Virginia Board of Workforce Development.

"Competency-based" means awarded on the basis of demonstrated knowledge and skills rather than completion of instructional hours or participation in an instructional course or program.

"Council" means the State Council of Higher Education for Virginia.

"Eligible institution" means a comprehensive community college, the Institute for Advanced Learning and Research, New College Institute, Roanoke Higher Education Center, Southern Virginia Higher Education Center, or Southwest Virginia Higher Education Center.

"Eligible student" means any Virginia student enrolled at an eligible institution who is domiciled in the Commonwealth as provided in § 23-7.4, as determined by the eligible institution.

"Fund" means the New Economy Workforce Credential Grant Fund.

"Grant" means a New Economy Workforce Credential Grant.

"High-demand field" means a discipline or field in which there is a shortage of skilled workers to fill current job vacancies or anticipated additional job openings.

"Industry-recognized" means demonstrating competency or proficiency in the technical and occupational skills identified as necessary for performing functions of an occupation based on standards developed or endorsed by employers and industry organizations.

"Noncredit workforce credential" means a competency-based, industry-recognized, portable, and third-party-validated certification or occupational license in a high-demand field.

"Noncredit workforce training program" means a program at an eligible institution that leads to an occupation or a cluster of occupations in a high-demand field, which program may include the attainment of a noncredit workforce credential. "Noncredit workforce training program" may include a program that receives funding pursuant to the Carl D. Perkins Career and Technical Education Improvement Act of 2006, P.L. 109-270. "Noncredit workforce training program" shall not include programs primarily involving soft skills attainment.

"Portable" means recognized by multiple employers or educational institutions and, where appropriate, across geographic areas.

"Program" means the New Economy Workforce Credential Grant Program.

"Third-party-validated" means having an external process in place for determining validity and relevance in the workplace and for continuous alignment of demonstrated knowledge and skills with industry workforce needs.

§ 23-38.10:15. New Economy Workforce Credential Grant Program; purpose.

The New Economy Workforce Credential Grant Program is established for the purpose of (i) creating and sustaining a demand-driven supply of credentialed workers for high-demand occupations in the Commonwealth by addressing and closing the gap between the skills needed by workers in the Commonwealth and the skills of the available workforce in the Commonwealth; (ii) expanding the affordability of workforce training and credentialing; and (iii) increasing the interest of current and future Virginia workers in technician, technologist, and trade-level positions to fill the available and emerging jobs in the Commonwealth that require less than a bachelor's degree but more than a high school diploma.

§ 23-38.10:16. New Economy Workforce Credential Grant Fund and Program established; administration.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the New Economy Workforce Credential Grant Fund. The Fund shall be established on the books of the Comptroller. All gifts, grants, or donations from public or private sources shall be paid into the state

60 treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and
61 be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each
62 fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall
63 be used solely for the purposes of disbursing moneys to eligible institutions for the award of grants
64 pursuant to the Program. Expenditures and disbursements from the Fund shall be made by the State
65 Treasurer on warrants issued by the Comptroller upon written request signed by the director of the
66 Council.

67 B. There is hereby established a New Economy Workforce Credential Grant Program for the purpose
68 of disbursing moneys from the Fund to eligible institutions for the award of grants to benefit students
69 pursuant to this chapter.

70 C. The Council shall administer the Program and shall carry out the goals and purposes of the
71 Program set forth in this chapter. In administering the Program, the Council (i) shall require eligible
72 institutions to provide student-specific data and make final decisions on any dispute between eligible
73 institutions and grant recipients; (ii) shall undertake periodic assessments of the overall success of the
74 Program and recommend modifications, interventions, and other actions based on such assessment; and
75 (iii) may adopt such regulations for the administration of the Program as it deems necessary and
76 appropriate.

77 D. The Council shall instruct the Comptroller to annually disburse moneys to eligible institutions on
78 a first-come, first-served basis as eligible students enroll in noncredit workforce training programs
79 identified by the governing board of the eligible institution pursuant to subsection E, provided that no
80 more than one-quarter of the moneys in the Fund are disbursed annually to any eligible institution. The
81 Council shall set forth the procedure by which eligible institutions shall notify the Council when eligible
82 students enroll in noncredit workforce training programs identified by the governing board of the
83 eligible institution pursuant to subsection E.

84 E. The Board shall make recommendations to eligible institutions to help determine high-demand
85 fields for which noncredit workforce training programs may be offered pursuant to the Program. The
86 governing board of each eligible institution shall determine the noncredit workforce training programs
87 offered pursuant to the Program.

88 **§ 23-38.10:17. Student grants.**

89 A. Subject to the availability of funds, any eligible student who enrolls in a noncredit workforce
90 training program offered by an eligible institution pursuant to the Program may apply for and be
91 awarded a grant to cover two-thirds of the cost of the noncredit workforce training program, provided
92 that at the time of enrollment the eligible student pays one-third of the cost of the noncredit workforce
93 training program and signs an agreement to complete the noncredit workforce training program or pay
94 an additional one-third of the program cost in the event of noncompletion. Upon the presentation of
95 satisfactory proof of completion of the noncredit workforce training program by the eligible student, the
96 Council shall reimburse the institution in an amount equal to one-third of the cost of the program. Upon
97 the presentation of satisfactory proof of the attainment of a noncredit workforce credential by the
98 eligible student, the Council shall reimburse the institution in an amount equal to one-third of the cost
99 of the program. However, the Council shall not reimburse any eligible institution more than \$3,000 per
100 completed noncredit workforce training program per eligible student pursuant to the Program.

101 B. Grants shall not be reduced by an eligible student's concurrent receipt of financial aid from any
102 other source except in cases in which the grant and such other financial aid would result in total
103 assistance in excess of tuition, fees, books, and other costs of completing the noncredit workforce
104 credential program.

105 **§ 23-38.10:18. Board of Workforce Development to keep a list of high-demand fields and related**
106 **noncredit workforce training programs and credentials.**

107 The Board shall maintain and update a list of high-demand fields and the related noncredit
108 workforce training programs and noncredit workforce credentials on its website.

109 **§ 23-38.10:19. Eligible institutions; academic credit; noncredit workforce credentials.**

110 Each eligible institution that participates in the Program shall adopt a policy for the award of
111 academic credit to any eligible student who has earned a noncredit workforce credential that is
112 applicable to the student's certificate or degree program requirements.

113 **§ 23-38.10:20. Eligible institutions and the Council; reporting.**

114 A. No later than January 1 of each year, each eligible institution shall submit to the Council a
115 report with data from the previous fiscal year on noncredit workforce training program completion and
116 noncredit workforce credential attainment by eligible students participating in the Program that
117 includes:

- 118 1. A list of the noncredit workforce credentials offered, by name and certification entity;
- 119 2. The number of eligible students who enrolled in noncredit workforce credentials programs;
- 120 3. The number of eligible students who completed noncredit workforce credentials programs;
- 121 4. The number of eligible students who attained noncredit workforce credentials after completing

122 *noncredit workforce training programs, by credential name and relevant industry sector; and*
123 *5. The average cost per noncredit workforce credential attained, by credential name and relevant*
124 *industry sector.*
125 *B. The Council shall compile the data provided pursuant to subsection A and report such data, in*
126 *the aggregate and by eligible institution, to the Board and the General Assembly.*