

E2SSB 5809 - H AMD 892

By Representative Conway

ADOPTED 04/24/2009

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) This is a time of great economic difficulty for the residents
5 of Washington state;

6 (b) Education and training provides opportunity for unemployed
7 workers and economically disadvantaged adults to move into living wage
8 jobs and is of critical importance to the current and future prosperity
9 of the residents of Washington state;

10 (c) Community and technical college workforce training programs,
11 private career schools and colleges, and Washington state
12 apprenticeship and training council-approved apprenticeship programs
13 provide effective and efficient pathways for people to enter
14 high-demand occupations while also meeting the needs of the economy;

15 (d) The identification of high-demand occupations needs to be based
16 on reliable labor market research; and

17 (e) Workforce development councils are in a position to provide
18 funding for economically disadvantaged adults and unemployed workers to
19 access training.

20 (2) Consistent with the intent of the workforce investment act
21 adult and dislocated worker program provisions of the American recovery
22 and reinvestment act of 2009, the legislature intends that individuals
23 who are eligible for services under the workforce investment act adult
24 and dislocated worker programs, or are receiving or have exhausted
25 entitlement to unemployment compensation benefits be provided the
26 opportunity to enroll in training programs to prepare for a high-demand
27 occupation.

28 **Sec. 2.** RCW 50.24.014 and 2007 c 327 s 2 are each amended to read
29 as follows:

1 (1)(a) A separate and identifiable account to provide for the
2 financing of special programs to assist the unemployed is established
3 in the administrative contingency fund. All money in this account
4 shall be expended solely for the purposes of this title and for no
5 other purposes whatsoever. Contributions to this account shall accrue
6 and become payable by each employer, except employers as described in
7 RCW 50.44.010 and 50.44.030 who have properly elected to make payments
8 in lieu of contributions, taxable local government employers as
9 described in RCW 50.44.035, and those employers who are required to
10 make payments in lieu of contributions, at a basic rate of two one-
11 hundredths of one percent. The amount of wages subject to tax shall be
12 determined under RCW 50.24.010.

13 (b) A separate and identifiable account is established in the
14 administrative contingency fund for financing the employment security
15 department's administrative costs under RCW 50.22.150 and section 4,
16 chapter 3, Laws of 2009 and the costs under RCW 50.22.150(~~(+10)~~) (11)
17 and section 4(14), chapter 3, Laws of 2009. All money in this account
18 shall be expended solely for the purposes of this title and for no
19 other purposes whatsoever. Contributions to this account shall accrue
20 and become payable by each employer, except employers as described in
21 RCW 50.44.010 and 50.44.030 who have properly elected to make payments
22 in lieu of contributions, taxable local government employers as
23 described in RCW 50.44.035, those employers who are required to make
24 payments in lieu of contributions, those employers described under RCW
25 50.29.025(1)(f)(ii), and those qualified employers assigned rate class
26 20 or rate class 40, as applicable, under RCW 50.29.025, at a basic
27 rate of one one-hundredth of one percent. The amount of wages subject
28 to tax shall be determined under RCW 50.24.010. Any amount of
29 contributions payable under this subsection (1)(b) that exceeds the
30 amount that would have been collected at a rate of four one-thousandths
31 of one percent must be deposited in the account created in (a) of this
32 subsection.

33 (2)(a) Contributions under this section shall become due and be
34 paid by each employer under rules as the commissioner may prescribe,
35 and shall not be deducted, in whole or in part, from the remuneration
36 of individuals in the employ of the employer. Any deduction in
37 violation of this section is unlawful.

1 (b) In the payment of any contributions under this section, a
2 fractional part of a cent shall be disregarded unless it amounts to
3 one-half cent or more, in which case it shall be increased to one cent.

4 (3) If the commissioner determines that federal funding has been
5 increased to provide financing for the services specified in chapter
6 50.62 RCW, the commissioner shall direct that collection of
7 contributions under this section be terminated on the following January
8 1st.

9 NEW SECTION. **Sec. 3.** (1) Subject to the availability of funds
10 through March 1, 2011, funds appropriated in the 2009-2011 operating
11 budget for the purposes of this act shall be distributed by the
12 employment security department to workforce development councils as a
13 match to American recovery and reinvestment act formula funds or local
14 workforce investment act funds that workforce development councils
15 provide specifically for the education and training of eligible
16 individuals in high-demand occupations for the purposes identified in
17 section 5(2) of this act. The education and training of eligible
18 individuals in occupations in the aerospace, energy efficiency, forest
19 product, and health care industries shall be given priority, so long as
20 the priority is consistent with federal law.

21 (a) Funds used to increase capacity as described in section 5(2)(a)
22 of this act shall receive a seventy-five percent match.

23 (b) Funds used to provide student financial aid described in
24 section 5(2)(b) of this act shall receive a twenty-five percent match.

25 (2) Funds available for the purposes identified in section 5(2) of
26 this act but not distributed under subsection (1) of this section shall
27 be allocated to the state board for community and technical colleges
28 March 1, 2011. The board shall only use the funds to increase capacity
29 as described in section 5(2)(a) of this act. The board shall report to
30 the employment security department on the use of these funds.

31 (3) The employment security department, in cooperation with the
32 workforce training and education coordinating board and the state board
33 for community and technical colleges, shall develop a set of guidelines
34 on allowable uses for the incentive funds made available under this
35 section. These guidelines shall emphasize training programs that
36 expand the skills for Washington workers in order to obtain and retain

1 jobs in high-demand industries such as those referenced in the American
2 recovery and reinvestment act of 2009.

3 (4) This section expires July 1, 2011.

4 NEW SECTION. **Sec. 4.** The governor shall direct ten percent of
5 statewide funds made available for activities under the workforce
6 investment act in Title VIII of division A of the American recovery and
7 reinvestment act of 2009 (P.L. 111-5) to be used for the purposes of
8 section 3 of this act.

9 NEW SECTION. **Sec. 5.** (1) Consistent with the intent of the
10 workforce investment act adult and dislocated worker program provisions
11 of the American recovery and reinvestment act of 2009, the employment
12 security department shall encourage an increase in education and
13 training through grants and local plan modifications with workforce
14 development councils. The department shall encourage workforce
15 development councils to collaborate with other local recipients of
16 American recovery and reinvestment act funding for the purposes of
17 increasing training and supporting individuals who receive training.
18 The department shall also require workforce development councils to
19 determine the number of participants who will receive education and
20 training in high-demand industries. The department shall require the
21 workforce development councils to report on these efforts to accomplish
22 the tasks described in this subsection.

23 (2) The employment security department shall use funds as described
24 in section 3 of this act to encourage workforce development councils to
25 use American recovery and reinvestment act and workforce investment act
26 adult and dislocated worker formula resources for the following
27 education and training purposes:

28 (a) To provide enrollment support or enter into contracts with the
29 community and technical college system to increase capacity for
30 training eligible individuals for high-demand and other occupations
31 listed in section 3(1) of this act in programs on the eligible training
32 provider list or new programs; and

33 (b) For the provision of individual training accounts that provide
34 financial aid for eligible students training for high-demand and other
35 occupations listed in section 3(1) of this act in programs on the
36 eligible training provider list.

1 (3) American recovery and reinvestment act formula funds described
2 in this section may not be used to replace or supplant any existing
3 enrollments, programs, support services, or funding sources.

4 (4) The employment security department, in its role as fiscal agent
5 for workforce funds available under the American recovery and
6 reinvestment act, shall monitor and report to the governor on the use
7 of these funds and identify specific actions that the governor or the
8 legislature may take to ensure the state and local workforce
9 development councils are effectively meeting the intent of this act.
10 This shall include such reports as required by the American recovery
11 and reinvestment act of 2009 and the governor.

12 (5) This section expires July 1, 2011.

13 NEW SECTION. **Sec. 6.** The employment security department, in
14 collaboration with the workforce training and education coordinating
15 board, workforce development councils, and the state board for
16 community and technical colleges, shall submit a report to the governor
17 and to the appropriate committees of the legislature by December 1,
18 2010. The report shall describe the implementation of this act, and
19 shall include the following:

- 20 (1) The amounts of expenditures on education and training;
- 21 (2) The number of students receiving training;
- 22 (3) The types of training received by the students;
- 23 (4) Training completion and employment rates;
- 24 (5) Comparisons of preprogram and postprogram wage levels;
- 25 (6) Student demographics and institution/program demographics;
- 26 (7) Efforts made to ensure training was provided in areas that
27 would lead to employment;
- 28 (8) Efforts to develop capacity in occupations that are of
29 particularly high demand; and
- 30 (9) Specific enhancements made in the workforce system to ensure
31 additional training in high-demand occupations is accessible to low-
32 income and dislocated workers.

33 NEW SECTION. **Sec. 7.** A new section is added to chapter 50.22 RCW
34 to read as follows:

35 The employment security department shall periodically bring
36 together representatives of the workforce training and education

1 coordinating board, workforce development councils, the state board for
2 community and technical colleges, business, labor, and the legislature
3 to review development and implementation of chapter . . . , Laws of 2009
4 (this act) and related programs under this chapter.

5 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 immediately."

9 Correct the title.

EFFECT: Strikes the underlying bill and adds new text as follows:
Legislative Intent

1. Expresses the Legislature's intent that certain individuals have the opportunity to enroll in training for high-demand occupations. These individuals are ones who are eligible for services under the WIA Adult and Dislocated Worker programs, or who are receiving or have exhausted entitlement to unemployment compensation benefits.

Education and Training in High-Demand Occupations

2. Requires the Employment Security Department (ESD) to distribute certain funds as a match for other funds provided by workforce development councils for education and training in high-demand occupations. Gives priority to education and training in occupations in the aerospace, energy efficiency, forest product, and health care industries, so long as the priority is consistent with federal law.

3. Specifies that, if used to increase capacity, the match is 75 percent. If used to provide student financial aid, the match is 25 percent.

4. Requires that funds not distributed to workforce development councils be distributed to the State Board for Community and Technical Colleges (SBCTC) on March 1, 2011, and that the SBCTC use the funds to increase capacity.

5. Requires the ESD to develop guidelines on allowable uses of the funds. Specifies that the guidelines be developed in cooperation with the Workforce Training and Education Coordinating Board (WTECB) and the SBCTC.

6. Specifies that funds appropriated in the 2009-2011 operating budget for the purposes of this act may be expended to create incentives for education and training. Also requires the Governor to direct certain funds for these purposes.

7. Requires the ESD to:

a. Encourage an increase in education and training through grants and local plan modifications with workforce development councils;

b. Encourage workforce development councils to collaborate with

other recipients of funding, and to use certain resources to increase capacity and provide individual training accounts; and

c. Require workforce development councils to determine the number of participants who will receive education and training, and to report on their efforts.

8. Specifies that certain federal funds may not be used to replace or supplant existing enrollments, programs, support services, or funding sources. Requires the ESD to monitor and report to the Governor on the use of the funds.

Other

9. Requires the ESD to submit a report on implementation of these provisions to the Governor and appropriate committees of the Legislature by December 1, 2010. Specifies that the report be prepared in collaboration with the WTECB, the SBCTC, and the workforce development councils.

10. Requires the ESD to periodically bring together representatives of the WTECB, the SBCTC, workforce development councils, business, labor, and the Legislature to review development and implementation of these provisions and the training benefits program.

11. Makes a housekeeping change to provide that a particular account is for administrative and other costs of the training benefit program.

Effective Date

12. Declares an emergency and establishes an immediate effective date.

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