

---

**SUBSTITUTE SENATE BILL 5616**

---

**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Shin, Kastama, and Kilmer)

READ FIRST TIME 01/30/09.

1 AN ACT Relating to connecting business expansion and recruitment to  
2 customized training; amending RCW 28B.67.020, 28B.67.030, and  
3 82.04.449; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 28B.67.020 and 2006 c 112 s 3 are each amended to read  
6 as follows:

7 (1) The Washington customized employment training program is hereby  
8 created to provide training assistance to employers locating or  
9 expanding in the state.

10 (2)(a) Application to receive funding under this program shall be  
11 made to the board in a form and manner as specified by the board.  
12 Successful applicants shall receive a training allowance from the board  
13 to cover the costs of training at a qualified training institution.  
14 Employers may not receive an allowance for training costs which exceed  
15 the maximum annual training cost per employee, as established by the  
16 board, and are not eligible to receive an allowance or allowances of  
17 over five hundred thousand dollars per calendar year.

18 (b) Allowances shall be granted for applicants who meet the  
19 following criteria:

1 (i) The employer must have entered into an agreement with a  
2 qualified training institution to engage in customized training and the  
3 employer must agree to: (A) Upon completion of the training, make a  
4 payment to the employment training finance account created in RCW  
5 28B.67.030 in an amount equal to one-quarter of the amount of the  
6 training allowance; and (B) over the subsequent eighteen months, make  
7 monthly or quarterly payments, as specified in the agreement, to the  
8 employment training finance account created in RCW 28B.67.030 in an  
9 amount equal to three-quarters of the amount of the training allowance.  
10 During calendar years 2009 and 2010, participants may delay payments  
11 due under this section for up to eighteen months. The payments into  
12 the employment training finance account provided for in this section do  
13 not constitute payment to the institution.

14 (ii) (~~The employer must ensure that the number of employees an~~  
15 ~~employer has in the state during the calendar year following the~~  
16 ~~completion of the training program will equal the number of employees~~  
17 ~~the employer had in the state in the calendar year preceding the start~~  
18 ~~of the training program plus seventy five percent of the number of~~  
19 ~~trainees.)) When hiring, the employer must make good faith efforts, as  
20 determined by the board, to hire from trainees in the participant's  
21 training program. The agreement with the qualified training  
22 institution provided for in (b)(i) of this subsection shall specify  
23 terms for reimbursement or additional payment to the employment  
24 training finance account by the employer if the (~~employment criterion~~  
25 ~~of this subsection is not met)) participant does not, when hiring, make  
26 good faith efforts to hire from trainees in the participant's training  
27 program.~~~~

28 (iii) The training (~~grant~~) allowance may not be used to train  
29 workers who have been hired as a result of a strike or lockout.

30 (c) Preference shall be given to employers with fewer than fifty  
31 employees.

32 (3) Qualified training institutions may enter into agreements with  
33 four-year institutions of higher education, as defined in RCW  
34 28B.10.016, in accordance with the interlocal cooperation act, chapter  
35 39.34 RCW.

36 (4) The board and qualified training institutions may solicit and  
37 receive gifts, grants, funds, fees, and endowments, in trust or  
38 otherwise, from tribal, local, federal, or other governmental entities,

1 as well as private sources, for the purpose of providing training  
2 allowances under chapter 112, Laws of 2006. All revenue thus solicited  
3 and received shall be deposited into the employment training finance  
4 account created in RCW 28B.67.030.

5 (5) Qualified training institutions must make good faith efforts to  
6 develop training programs using trainers preferred by participants.

7 (6) For employers who (a) have requested training under the job  
8 skills program created under chapter 28C.04 RCW but are not able to  
9 participate in the job skills program because the funds have all been  
10 committed, and (b) desire to become participants in the Washington  
11 customized employment training program, the board shall ensure a  
12 seamless process toward participation.

13 (7) The board may adopt rules to implement this section.

14 **Sec. 2.** RCW 28B.67.030 and 2006 c 112 s 8 are each amended to read  
15 as follows:

16 (1) All payments received from a participant in the Washington  
17 customized employment training program created in RCW 28B.67.020 shall  
18 be deposited into the employment training finance account, which is  
19 hereby created in the custody of the state treasurer. Only the state  
20 board for community and technical colleges may authorize expenditures  
21 from the account and no appropriation is required for expenditures.  
22 The money in the account must be used solely for training allowances  
23 under the Washington customized employment training program created in  
24 RCW 28B.67.020 and for providing up to seventy-five thousand dollars  
25 per year for training, marketing, and facilitation services to increase  
26 the use of the program. The deposit of payments under this section  
27 from a participant shall cease when the board specifies that the  
28 participant has met the monetary obligations of the program.

29 (2) All revenue solicited and received under the provisions of RCW  
30 28B.67.020(4) shall be deposited into the employment training finance  
31 account to provide training allowances.

32 (3) The definitions in RCW 28B.67.010 apply to this section.

33 **Sec. 3.** RCW 82.04.449 and 2006 c 112 s 5 are each amended to read  
34 as follows:

35 In computing the tax imposed under this chapter, a credit is  
36 allowed for participants in the Washington customized employment

1 training program created in RCW 28B.67.020. The credit allowed under  
2 this section is equal to fifty percent of the value of a participant's  
3 payments to the employment training finance account created in RCW  
4 28B.67.030. If a participant in the program does not meet the  
5 (~~qualifications in~~) requirements of RCW 28B.67.020(2)(b)(ii), the  
6 participant must remit to the department the value of any credits taken  
7 plus interest. The credit earned by a participant in one calendar year  
8 may be carried over to be credited against taxes incurred in a  
9 subsequent calendar year. No credit may be allowed for repayment of  
10 training allowances received from the Washington customized employment  
11 training program on or after July 1, 2016.

12 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
13 preservation of the public peace, health, or safety, or support of the  
14 state government and its existing public institutions, and takes effect  
15 immediately.

--- END ---