
SENATE BILL 6600

State of Washington 61st Legislature 2010 Regular Session

By Senators Hargrove, Kohl-Welles, Hatfield, and Keiser

Read first time 01/19/10. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to funding and providing workforce training grants;
2 amending RCW 50.24.014; reenacting and amending RCW 50.29.025; adding
3 a new section to chapter 50.22 RCW; and creating a new section.

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

5 **Sec. 1.** RCW 50.29.025 and 2009 c 493 s 2 and 2009 c 3 s 14 are
6 each reenacted and amended to read as follows:

7 (1) For contributions assessed for rate years 2005 through 2009,
8 the contribution rate for each employer subject to contributions under
9 RCW 50.24.010 shall be the sum of the array calculation factor rate and
10 the graduated social cost factor rate determined under this subsection,
11 and the solvency surcharge determined under RCW 50.29.041, if any.

12 (a) The array calculation factor rate shall be determined as
13 follows:

14 (i) An array shall be prepared, listing all qualified employers in
15 ascending order of their benefit ratios. The array shall show for each
16 qualified employer: (A) Identification number; (B) benefit ratio; and
17 (C) taxable payrolls for the four consecutive calendar quarters
18 immediately preceding the computation date and reported to the
19 employment security department by the cut-off date.

1 (ii) Each employer in the array shall be assigned to one of forty
 2 rate classes according to his or her benefit ratio as follows, and,
 3 except as provided in RCW 50.29.026, the array calculation factor rate
 4 for each employer in the array shall be the rate specified in the rate
 5 class to which the employer has been assigned:

	Benefit Ratio		Rate	Rate
	At least	Less than	Class	(percent)
6		0.000001	1	0.00
7				
8		0.001250	2	0.13
9	0.000001			
10	0.001250	0.002500	3	0.25
11	0.002500	0.003750	4	0.38
12	0.003750	0.005000	5	0.50
13	0.005000	0.006250	6	0.63
14	0.006250	0.007500	7	0.75
15	0.007500	0.008750	8	0.88
16	0.008750	0.010000	9	1.00
17	0.010000	0.011250	10	1.15
18	0.011250	0.012500	11	1.30
19	0.012500	0.013750	12	1.45
20	0.013750	0.015000	13	1.60
21	0.015000	0.016250	14	1.75
22	0.016250	0.017500	15	1.90
23	0.017500	0.018750	16	2.05
24	0.018750	0.020000	17	2.20
25	0.020000	0.021250	18	2.35
26	0.021250	0.022500	19	2.50
27	0.022500	0.023750	20	2.65
28	0.023750	0.025000	21	2.80
29	0.025000	0.026250	22	2.95
30	0.026250	0.027500	23	3.10
31	0.027500	0.028750	24	3.25
32	0.028750	0.030000	25	3.40
33	0.030000	0.031250	26	3.55
34	0.031250	0.032500	27	3.70
35	0.032500	0.033750	28	3.85
36	0.033750	0.035000	29	4.00

1	0.035000	0.036250	30	4.15
2	0.036250	0.037500	31	4.30
3	0.037500	0.040000	32	4.45
4	0.040000	0.042500	33	4.60
5	0.042500	0.045000	34	4.75
6	0.045000	0.047500	35	4.90
7	0.047500	0.050000	36	5.05
8	0.050000	0.052500	37	5.20
9	0.052500	0.055000	38	5.30
10	0.055000	0.057500	39	5.35
11	0.057500		40	5.40

12 (b) The graduated social cost factor rate shall be determined as
13 follows:

14 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,
15 the commissioner shall calculate the flat social cost factor for a rate
16 year by dividing the total social cost by the total taxable payroll.
17 The division shall be carried to the second decimal place with the
18 remaining fraction disregarded unless it amounts to five hundredths or
19 more, in which case the second decimal place shall be rounded to the
20 next higher digit. The flat social cost factor shall be expressed as
21 a percentage.

22 (B) If, on the cut-off date, the balance in the unemployment
23 compensation fund is determined by the commissioner to be an amount
24 that will provide more than ten months of unemployment benefits, the
25 commissioner shall calculate the flat social cost factor for the rate
26 year immediately following the cut-off date by reducing the total
27 social cost by the dollar amount that represents the number of months
28 for which the balance in the unemployment compensation fund on the cut-
29 off date will provide benefits above ten months and dividing the result
30 by the total taxable payroll. However, the calculation under this
31 subsection (1)(b)(i)(B) for a rate year may not result in a flat social
32 cost factor that is more than four-tenths lower than the calculation
33 under (b)(i)(A) of this subsection for that rate year.

34 For the purposes of this subsection, the commissioner shall
35 determine the number of months of unemployment benefits in the
36 unemployment compensation fund using the benefit cost rate for the
37 average of the three highest calendar benefit cost rates in the twenty

1 consecutive completed calendar years immediately preceding the cut-off
2 date or a period of consecutive calendar years immediately preceding
3 the cut-off date that includes three recessions, if longer.

4 (C) The minimum flat social cost factor calculated under this
5 subsection (1)(b) shall be six-tenths of one percent, except that if
6 the balance in the unemployment compensation fund is determined by the
7 commissioner to be an amount that will provide:

8 (I) At least twelve months but less than fourteen months of
9 unemployment benefits, the minimum shall be five-tenths of one percent;
10 or

11 (II) At least fourteen months of unemployment benefits, the minimum
12 shall be five-tenths of one percent, except that, for employers in rate
13 class 1, the minimum shall be forty-five hundredths of one percent.

14 (ii)(A) Except as provided in (b)(ii)(B) of this subsection, the
15 graduated social cost factor rate for each employer in the array is the
16 flat social cost factor multiplied by the percentage specified as
17 follows for the rate class to which the employer has been assigned in
18 (a)(ii) of this subsection, except that the sum of an employer's array
19 calculation factor rate and the graduated social cost factor rate may
20 not exceed six and five-tenths percent or, for employers whose North
21 American industry classification system code is within "111," "112,"
22 "1141," "115," "3114," "3117," "42448," or "49312," may not exceed six
23 percent through rate year 2007 and may not exceed five and seven-tenths
24 percent for rate years 2008 and 2009:

25 (I) Rate class 1 - 78 percent;

26 (II) Rate class 2 - 82 percent;

27 (III) Rate class 3 - 86 percent;

28 (IV) Rate class 4 - 90 percent;

29 (V) Rate class 5 - 94 percent;

30 (VI) Rate class 6 - 98 percent;

31 (VII) Rate class 7 - 102 percent;

32 (VIII) Rate class 8 - 106 percent;

33 (IX) Rate class 9 - 110 percent;

34 (X) Rate class 10 - 114 percent;

35 (XI) Rate class 11 - 118 percent; and

36 (XII) Rate classes 12 through 40 - 120 percent.

37 (B) For contributions assessed beginning July 1, 2005, through
38 December 31, 2007, for employers whose North American industry

1 classification system code is "111," "112," "1141," "115," "3114,"
2 "3117," "42448," or "49312," the graduated social cost factor rate is
3 zero.

4 (iii) For the purposes of this section:

5 (A) "Total social cost" means the amount calculated by subtracting
6 the array calculation factor contributions paid by all employers with
7 respect to the four consecutive calendar quarters immediately preceding
8 the computation date and paid to the employment security department by
9 the cut-off date from the total unemployment benefits paid to claimants
10 in the same four consecutive calendar quarters. To calculate the flat
11 social cost factor for rate year 2005, the commissioner shall calculate
12 the total social cost using the array calculation factor contributions
13 that would have been required to be paid by all employers in the
14 calculation period if (a) of this subsection had been in effect for the
15 relevant period. ~~((To calculate the flat social cost factor for rate
16 years 2010 and 2011, the forty five dollar increase paid as part of an
17 individual's weekly benefit amount as provided in RCW 50.20.1201 shall
18 not be considered for purposes of calculating the total unemployment
19 benefits paid to claimants in the four consecutive calendar quarters
20 immediately preceding the computation date.))~~

21 (B) "Total taxable payroll" means the total amount of wages subject
22 to tax, as determined under RCW 50.24.010, for all employers in the
23 four consecutive calendar quarters immediately preceding the
24 computation date and reported to the employment security department by
25 the cut-off date.

26 (c) For employers who do not meet the definition of "qualified
27 employer" by reason of failure to pay contributions when due:

28 (i) The array calculation factor rate shall be two-tenths higher
29 than that in rate class 40, except employers who have an approved
30 agency-deferred payment contract by September 30th of the previous rate
31 year. If any employer with an approved agency-deferred payment
32 contract fails to make any one of the succeeding deferred payments or
33 fails to submit any succeeding tax report and payment in a timely
34 manner, the employer's tax rate shall immediately revert to an array
35 calculation factor rate two-tenths higher than that in rate class 40;
36 and

37 (ii) The social cost factor rate shall be the social cost factor
38 rate assigned to rate class 40 under (b)(ii) of this subsection.

1 (d) For all other employers not qualified to be in the array:

2 (i) For rate years 2005, 2006, and 2007:

3 (A) The array calculation factor rate shall be a rate equal to the
4 average industry array calculation factor rate as determined by the
5 commissioner, plus fifteen percent of that amount; however, the rate
6 may not be less than one percent or more than the array calculation
7 factor rate in rate class 40; and

8 (B) The social cost factor rate shall be a rate equal to the
9 average industry social cost factor rate as determined by the
10 commissioner, plus fifteen percent of that amount, but not more than
11 the social cost factor rate assigned to rate class 40 under (b)(ii) of
12 this subsection.

13 (ii) For contributions assessed for rate years 2008 and 2009:

14 (A) The array calculation factor rate shall be a rate equal to the
15 average industry array calculation factor rate as determined by the
16 commissioner, multiplied by the history factor, but not less than one
17 percent or more than the array calculation factor rate in rate class
18 40;

19 (B) The social cost factor rate shall be a rate equal to the
20 average industry social cost factor rate as determined by the
21 commissioner, multiplied by the history factor, but not more than the
22 social cost factor rate assigned to rate class 40 under (b)(ii) of this
23 subsection; and

24 (C) The history factor shall be based on the total amounts of
25 benefits charged and contributions paid in the three fiscal years
26 ending prior to the computation date by employers not qualified to be
27 in the array, other than employers in (c) of this subsection, who were
28 first subject to contributions in the calendar year ending three years
29 prior to the computation date. The commissioner shall calculate the
30 history ratio by dividing the total amount of benefits charged by the
31 total amount of contributions paid in this three-year period by these
32 employers. The division shall be carried to the second decimal place
33 with the remaining fraction disregarded unless it amounts to five
34 one-hundredths or more, in which case the second decimal place shall be
35 rounded to the next higher digit. The commissioner shall determine the
36 history factor according to the history ratio as follows:

	History	History
	Ratio	Factor
		(percent)
	At least	Less than
(I)		.95 90
(II)	.95	1.05 100
(III)	1.05	115

(2) For contributions assessed in rate year 2010 and thereafter, the contribution rate for each employer subject to contributions under RCW 50.24.010 shall be the sum of the array calculation factor rate and the graduated social cost factor rate determined under this subsection, and the solvency surcharge determined under RCW 50.29.041, if any.

(a) The array calculation factor rate shall be determined as follows:

(i) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (A) Identification number; (B) benefit ratio; and (C) taxable payrolls for the four consecutive calendar quarters immediately preceding the computation date and reported to the employment security department by the cut-off date.

(ii) Each employer in the array shall be assigned to one of forty rate classes according to his or her benefit ratio as follows, and, except as provided in RCW 50.29.026, the array calculation factor rate for each employer in the array shall be the rate specified in the rate class to which the employer has been assigned:

	Benefit Ratio		Rate	Rate
	At least	Less than	Class	(percent)
		0.000001	1	0.00
	0.000001	0.001250	2	0.11
	0.001250	0.002500	3	0.22
	0.002500	0.003750	4	0.33
	0.003750	0.005000	5	0.43
	0.005000	0.006250	6	0.54

1	0.006250	0.007500	7	0.65
2	0.007500	0.008750	8	0.76
3	0.008750	0.010000	9	0.88
4	0.010000	0.011250	10	1.01
5	0.011250	0.012500	11	1.14
6	0.012500	0.013750	12	1.28
7	0.013750	0.015000	13	1.41
8	0.015000	0.016250	14	1.54
9	0.016250	0.017500	15	1.67
10	0.017500	0.018750	16	1.80
11	0.018750	0.020000	17	1.94
12	0.020000	0.021250	18	2.07
13	0.021250	0.022500	19	2.20
14	0.022500	0.023750	20	2.38
15	0.023750	0.025000	21	2.50
16	0.025000	0.026250	22	2.63
17	0.026250	0.027500	23	2.75
18	0.027500	0.028750	24	2.88
19	0.028750	0.030000	25	3.00
20	0.030000	0.031250	26	3.13
21	0.031250	0.032500	27	3.25
22	0.032500	0.033750	28	3.38
23	0.033750	0.035000	29	3.50
24	0.035000	0.036250	30	3.63
25	0.036250	0.037500	31	3.75
26	0.037500	0.040000	32	4.00
27	0.040000	0.042500	33	4.25
28	0.042500	0.045000	34	4.50
29	0.045000	0.047500	35	4.75
30	0.047500	0.050000	36	5.00
31	0.050000	0.052500	37	5.15
32	0.052500	0.055000	38	5.25
33	0.055000	0.057500	39	5.30
34	0.057500		40	5.40

35 (b) The graduated social cost factor rate shall be determined as
36 follows:

1 (i)(A) Except as provided in (b)(i)(B) (~~and~~), (C), and (D) of
2 this subsection, the commissioner shall calculate the flat social cost
3 factor for a rate year by dividing the total social cost by the total
4 taxable payroll. The division shall be carried to the second decimal
5 place with the remaining fraction disregarded unless it amounts to five
6 hundredths or more, in which case the second decimal place shall be
7 rounded to the next higher digit. The flat social cost factor shall be
8 expressed as a percentage.

9 (B) If, on the cut-off date, the balance in the unemployment
10 compensation fund is determined by the commissioner to be an amount
11 that will provide more than ten months of unemployment benefits, the
12 commissioner shall calculate the flat social cost factor for the rate
13 year immediately following the cut-off date by reducing the total
14 social cost by the dollar amount that represents the number of months
15 for which the balance in the unemployment compensation fund on the cut-
16 off date will provide benefits above ten months and dividing the result
17 by the total taxable payroll. However, the calculation under this
18 subsection (2)(b)(i)(B) for a rate year may not result in a flat social
19 cost factor that is more than four-tenths lower than the calculation
20 under (b)(i)(A) of this subsection for that rate year.

21 For the purposes of this subsection, the commissioner shall
22 determine the number of months of unemployment benefits in the
23 unemployment compensation fund using the benefit cost rate for the
24 average of the three highest calendar benefit cost rates in the twenty
25 consecutive completed calendar years immediately preceding the cut-off
26 date or a period of consecutive calendar years immediately preceding
27 the cut-off date that includes three recessions, if longer.

28 (C) The minimum flat social cost factor calculated under this
29 subsection (2)(b) shall be six-tenths of one percent, except that if
30 the balance in the unemployment compensation fund is determined by the
31 commissioner to be an amount that will provide:

32 (I) At least ten months but less than eleven months of unemployment
33 benefits, the minimum shall be five-tenths of one percent; or

34 (II) At least eleven months but less than twelve months of
35 unemployment benefits, the minimum shall be forty-five hundredths of
36 one percent; or

37 (III) At least twelve months but less than thirteen months of

1 unemployment benefits, the minimum shall be four-tenths of one percent;
2 or

3 (IV) At least thirteen months but less than fifteen months of
4 unemployment benefits, the minimum shall be thirty-five hundredths of
5 one percent; or

6 (V) At least fifteen months but less than seventeen months of
7 unemployment benefits, the minimum shall be twenty-five hundredths of
8 one percent; or

9 (VI) At least seventeen months but less than eighteen months of
10 unemployment benefits, the minimum shall be fifteen hundredths of one
11 percent; or

12 (VII) At least eighteen months of unemployment benefits, the
13 minimum shall be fifteen hundredths of one percent through rate year
14 2011 and shall be zero thereafter.

15 (D) For rate years 2011 and 2012, the commissioner shall exclude
16 from the total social cost calculation the total amount deducted in the
17 2010 rate year from all employers pursuant to (b)(iv) of this
18 subsection.

19 (ii) The graduated social cost factor rate for each employer in the
20 array is the flat social cost factor multiplied by the percentage
21 specified as follows for the rate class to which the employer has been
22 assigned in (a)(ii) of this subsection, except that the sum of an
23 employer's array calculation factor rate and the graduated social cost
24 factor rate may not exceed six percent or, for employers whose North
25 American industry classification system code is within "111," "112,"
26 "1141," "115," "3114," "3117," "42448," or "49312," may not exceed five
27 and four-tenths percent:

- 28 (A) Rate class 1 - 78 percent;
- 29 (B) Rate class 2 - 82 percent;
- 30 (C) Rate class 3 - 86 percent;
- 31 (D) Rate class 4 - 90 percent;
- 32 (E) Rate class 5 - 94 percent;
- 33 (F) Rate class 6 - 98 percent;
- 34 (G) Rate class 7 - 102 percent;
- 35 (H) Rate class 8 - 106 percent;
- 36 (I) Rate class 9 - 110 percent;
- 37 (J) Rate class 10 - 114 percent;
- 38 (K) Rate class 11 - 118 percent; and

1 (L) Rate classes 12 through 40 - 120 percent.

2 (iii) For the purposes of this section:

3 (A) "Total social cost" means the amount calculated by subtracting
4 the array calculation factor contributions paid by all employers with
5 respect to the four consecutive calendar quarters immediately preceding
6 the computation date and paid to the employment security department by
7 the cut-off date from the total unemployment benefits paid to claimants
8 in the same four consecutive calendar quarters. To calculate the flat
9 social cost factor for rate years 2010 and 2011, the forty-five dollar
10 increase paid as part of an individual's weekly benefit amount as
11 provided in RCW 50.20.1201 shall not be considered for purposes of
12 calculating the total unemployment benefits paid to claimants in the
13 four consecutive calendar quarters immediately preceding the
14 computation date.

15 (B) "Total taxable payroll" means the total amount of wages subject
16 to tax, as determined under RCW 50.24.010, for all employers in the
17 four consecutive calendar quarters immediately preceding the
18 computation date and reported to the employment security department by
19 the cut-off date.

20 (iv) For tax rate year 2010 collections, an amount equal to one-
21 tenth of one percent of the graduated social cost factor rate of each
22 employer shall be deducted from the rate payment of the employer, if
23 the graduated social cost factor rate equals or exceeds one-tenth of
24 one percent, and that amount shall be deposited in the separate and
25 identifiable account in the administrative contingency fund in RCW
26 50.24.014(1)(a) for the purposes set forth in section 3 of this act.

27 (c) For employers who do not meet the definition of "qualified
28 employer" by reason of failure to pay contributions when due:

29 (i) The array calculation factor rate shall be two-tenths higher
30 than that in rate class 40, except employers who have an approved
31 agency-deferred payment contract by September 30th of the previous rate
32 year. If any employer with an approved agency-deferred payment
33 contract fails to make any one of the succeeding deferred payments or
34 fails to submit any succeeding tax report and payment in a timely
35 manner, the employer's tax rate shall immediately revert to an array
36 calculation factor rate two-tenths higher than that in rate class 40;
37 and

1 (ii) The social cost factor rate shall be the social cost factor
2 rate assigned to rate class 40 under (b)(ii) of this subsection. For
3 tax rate year 2010 collections, an amount equal to one-tenth of one
4 percent of the graduated social cost factor rate of each employer shall
5 be deducted from the rate payment of the employer, if the graduated
6 social cost factor rate equals or exceeds one-tenth of one percent, and
7 that amount shall be deposited in the separate and identifiable account
8 in the administrative contingency fund in RCW 50.24.014(1)(a) for the
9 purposes set forth in section 3 of this act.

10 (d) For all other employers not qualified to be in the array:

11 (i) The array calculation factor rate shall be a rate equal to the
12 average industry array calculation factor rate as determined by the
13 commissioner, multiplied by the history factor, but not less than one
14 percent or more than the array calculation factor rate in rate class
15 40;

16 (ii) The social cost factor rate shall be a rate equal to the
17 average industry social cost factor rate as determined by the
18 commissioner, multiplied by the history factor, but not more than the
19 social cost factor rate assigned to rate class 40 under (b)(ii) of this
20 subsection. For tax rate year 2010 collections, an amount equal to
21 one-tenth of one percent of the graduated social cost factor rate of
22 each employer shall be deducted from the rate payment of the employer,
23 if the graduated social cost factor rate equals or exceeds one-tenth of
24 one percent, and that amount shall be deposited in the separate and
25 identifiable account in the administrative contingency fund in RCW
26 50.24.014(1)(a) for the purposes set forth in section 3 of this act;
27 and

28 (iii) The history factor shall be based on the total amounts of
29 benefits charged and contributions paid in the three fiscal years
30 ending prior to the computation date by employers not qualified to be
31 in the array, other than employers in (c) of this subsection, who were
32 first subject to contributions in the calendar year ending three years
33 prior to the computation date. The commissioner shall calculate the
34 history ratio by dividing the total amount of benefits charged by the
35 total amount of contributions paid in this three-year period by these
36 employers. The division shall be carried to the second decimal place
37 with the remaining fraction disregarded unless it amounts to five

1 one-hundredths or more, in which case the second decimal place shall be
2 rounded to the next higher digit. The commissioner shall determine the
3 history factor according to the history ratio as follows:

	History		History
	Ratio		Factor
			(percent)
	At least	Less than	
8	(A)	.95	90
9	(B)	.95	100
10	(C)	1.05	115

11 (3) Assignment of employers by the commissioner to industrial
12 classification, for purposes of this section, shall be in accordance
13 with established classification practices found in the North American
14 industry classification system code.

15 **Sec. 2.** RCW 50.24.014 and 2009 c 566 s 2 are each amended to read
16 as follows:

17 (1)(a) A separate and identifiable account to provide for the
18 financing of special programs to assist the unemployed is established
19 in the administrative contingency fund. All money in this account
20 shall be expended solely for the purposes of this title and for no
21 other purposes whatsoever. Contributions to this account shall accrue
22 and become payable by each employer, except employers as described in
23 RCW 50.44.010 and 50.44.030 who have properly elected to make payments
24 in lieu of contributions, taxable local government employers as
25 described in RCW 50.44.035, and those employers who are required to
26 make payments in lieu of contributions, at a basic rate of two one-
27 hundredths of one percent. The amount of wages subject to tax shall be
28 determined under RCW 50.24.010. Using the amount deposited for the
29 purposes of section 3 of this act, the account may also be used for the
30 administration and provision of workforce training grants under section
31 3 of this act until the funds from the deposit are expended or no later
32 than June 30, 2012. These funds shall not replace or supplant any
33 existing enrollments, programs, support services, or funding sources.

1 (b) A separate and identifiable account is established in the
2 administrative contingency fund for financing the employment security
3 department's administrative costs under RCW 50.22.150 and 50.22.155 and
4 the costs under RCW 50.22.150(11) and 50.22.155(14). All money in this
5 account shall be expended solely for the purposes of this title and for
6 no other purposes whatsoever. Contributions to this account shall
7 accrue and become payable by each employer, except employers as
8 described in RCW 50.44.010 and 50.44.030 who have properly elected to
9 make payments in lieu of contributions, taxable local government
10 employers as described in RCW 50.44.035, those employers who are
11 required to make payments in lieu of contributions, those employers
12 (~~described under~~) not qualified to be in the array under RCW
13 50.29.025((1)(f)(ii)) for reasons other than the failure to pay
14 contributions, and those qualified employers assigned rate class 20 or
15 rate class 40, as applicable, under RCW 50.29.025, at a basic rate of
16 one one-hundredth of one percent. The amount of wages subject to tax
17 shall be determined under RCW 50.24.010. Any amount of contributions
18 payable under this subsection (1)(b) that exceeds the amount that would
19 have been collected at a rate of four one-thousandths of one percent
20 must be deposited in the account created in (a) of this subsection.

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

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

29 (3) If the commissioner determines that federal funding has been
30 increased to provide financing for the services specified in chapter
31 50.62 RCW, the commissioner shall direct that collection of
32 contributions under this section be terminated on the following January
33 1st.

34 NEW SECTION. Sec. 3. A new section is added to chapter 50.22 RCW
35 to read as follows:

36 (1) Subject to availability of funds appropriated or provided for
37 this specific purpose, workforce training grants are available to

1 eligible colleges to serve individuals who are eligible for or have
2 exhausted entitlement to unemployment compensation benefits and are
3 enrolled in a high demand training program.

4 (2) The state board for community and technical colleges shall
5 identify high demand training programs that are consistent with
6 workforce training priorities and based upon the comprehensive plan for
7 workforce training developed by the workforce training and education
8 coordinating board.

9 (3) The employment security department shall disburse funds for
10 workforce training grants to the state board for community and
11 technical colleges. The state board for community and technical
12 colleges shall review proposals submitted by eligible colleges and
13 award grants through a competitive process. Preference shall be given
14 to proposals emphasizing health care, aerospace, forestry industry, and
15 energy efficiency.

16 (4) Workforce training grants can be used for the following
17 purposes for individuals eligible under subsection (1) of this section:
18 Expenses related to educational and career counseling services,
19 training plan development, and referral to appropriate training
20 programs in high demand occupations; increased capacity at community
21 and technical colleges to make training programs in high demand
22 occupations available; financial aid for eligible students enrolled at
23 an institution of higher education as defined in RCW 28B.10.016 or an
24 educational institution as defined in RCW 28C.04.410; and job
25 development and referral services.

26 (5) Workforce training grants cannot be used to replace or supplant
27 any existing enrollments, programs, support services, or funding
28 sources.

29 NEW SECTION. **Sec. 4.** If any part of this act is found to be in
30 conflict with federal requirements that are a prescribed condition to
31 the allocation of federal funds to the state, the conflicting part of
32 this act is inoperative solely to the extent of the conflict and with
33 respect to the agencies directly affected, and this finding does not
34 affect the operation of the remainder of this act in its application to
35 the agencies concerned. Rules adopted under this act must meet federal
36 requirements that are a necessary condition to the receipt of federal
37 funds by the state.

1 NEW SECTION. **Sec. 5.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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