

HOUSE BILL REPORT

HB 2580

As Reported by House Committee On:
Labor & Workforce Development

Title: An act relating to a lifelong learning program.

Brief Description: Creating a lifelong learning program.

Sponsors: Representatives Kenney, Hansen, Sells, Reykdal, Seaquist, Ormsby, Maxwell, Wylie, Ladenburg, Pollet, Sullivan, Santos, Pedersen, Hasegawa, Haigh, Probst, Tharinger, Hunt and Moscoso.

Brief History:

Committee Activity:

Labor & Workforce Development: 1/25/12, 1/31/12 [DP].

Brief Summary of Bill

- Establishes a lifelong learning program for employees, with the support of their employers, to create educational savings accounts.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Kenney, Miloscia, Moeller, Ormsby and Roberts.

Minority Report: Do not pass. Signed by 5 members: Representatives Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Taylor and Warnick.

Staff: Jill Reinmuth (786-7134).

Background:

Lifelong learning accounts (LiLAs) are worker-owned, employer-matched portable accounts to finance an individual worker's lifelong education and training.

In 2001 the nonprofit Council for Adult and Experiential Learning (CAEL) developed a model for establishing LiLAs. In this model, LiLAs are employer-sponsored as part of an

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employee compensation package, and every worker is eligible for an account. The LiLAs supplement, not replace, existing employer-supported tuition-assistance programs. Participation by individuals and employers is optional. The LiLAs are funded by the individual worker, the employer, and, in some cases, third-party matches from sources such as foundations, public sector grants, or tax credits. Accounts stay with the individual worker regardless of the person's current employer or employment status, and may be used for tuition and fees, assessment fees, supplies, materials, and books. The individual worker chooses the training and education needed to meet career goals based on a learning plan developed with the help of qualified advisors. The LiLAs are designed particularly to help address postsecondary educational access and financing for lower-skilled, lower-wage, and entry-level incumbent employees who may not be eligible for student financial aid or employer-provided tuition.

In 2008 the Workforce Training and Education Coordinating Board was awarded a \$75,000 grant from the Lumina Foundation through the CAEL for "Taking It to the States: A State-Based Lifelong Learning Account Demonstration Initiative." The grant funds, together with other funds, were used to develop program structure and management systems for an initial regional LiLA pilot. The five-county Pacific Mountain region (Thurston, Mason, Lewis, Pacific, and Grays Harbor) was the selected demonstration area. Six employers and 25 employees participated in the LiLA demonstration project.

Summary of Bill:

The Legislature intends to address certain challenges related to providing low-skilled workers with postsecondary education and training through the establishment of a lifelong learning program. The Legislature also intends to develop partnerships and mechanisms through which:

- workers invest their own funds in their training and education;
- employers invest in their workers' LiLAs;
- educational and training institutions promote the establishment of LiLAs;
- state and local governments provide infrastructure, incentives, and support for investments in LiLAs; and
- financial institutions and nonprofit organizations provide support to establish pilot projects, foster program development, and assist in impact evaluation.

"Lifelong learning accounts" are defined as joint savings accounts established by employees and employers to support the education and training of employees aligned with approved career development plans.

A lifelong learning program is established within the Workforce Training and Education Coordinating Board (Board) to provide the opportunity for employees, with the support of their employers, to create an educational savings account that may be used for education and training.

The Board may:

- partner with financial institutions and other organizations to enable low-wage workers to attain high-skilled and high-wage jobs;
- work with financial institutions to encourage their engagement in managing LiLAs, providing financial literacy and career counseling, and aligning other activities; and
- develop program policies and system options that will lead the program to become self-sustaining.

The Board must work with its partners to:

- establish the program's policies, rules, and procedures;
- ensure the program is marketed to various geographic areas, industry sectors, low-wage workers, employers, and communities; and
- help partners coordinate new services with existing ones, including the WorkSource system.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Neutral) The Workforce Training and Education Coordinating Board is prepared to provide the services described in the bill. The Workforce Board has been overseeing a pilot program. The Workforce Board has been supportive of lifelong learning accounts for small and very small companies. It helps employees access education and training that they might not otherwise be able to.

(Opposed) None.

Persons Testifying: (In support) None.

(Neutral) Sonja Hallum, Workforce Training and Education Coordinating Board.

(Opposed) None.

Persons Signed In To Testify But Not Testifying: None.