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## Labor & Workforce Development Committee

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### SB 6289

**Brief Description:** Facilitating self-employment training.

**Sponsors:** Senators Rolfes and Kastama.

#### Brief Summary of Bill

- Repeals the July 1, 2012 expiration of the self-employment assistance program (SEAP).
- Removes the requirement that participants in SEAP may not directly compete with former employers.
- Provides that individuals eligible for Workforce Investment Act services must have the same opportunity to enroll in self-employment assistance or entrepreneurial training programs as other training programs.

**Hearing Date:** 2/17/12

**Staff:** Joan Elgee (786-7106).

#### **Background:**

In 2007, the Legislature authorized self-employment assistance programs (SEAP) for certain unemployed individuals. An individual is eligible if he or she:

- is otherwise eligible for regular unemployment benefits;
- has been identified as likely to exhaust regular benefits; and
- is enrolled in a SEAP approved by the Commissioner (Commissioner) of the Employment Security Department (ESD).

Programs may include include existing self-employment training programs available through community colleges, work force investment boards, or other organizations.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

An individual participating in SEAP receives their regular unemployment benefits and is not entitled to any additional benefit payments. However, the usual continuing eligibility requirements do not apply. (These requirements are being available for work, actively searching for work, and not refusing to accept suitable work.) Persons completing a self-employment program may not directly compete with their former employer for a specific time period and in a specific geographic area.

The 2007 act authorizing SEAP expires July 1, 2012. In December 2011, as required by the 2007 act, ESD submitted a report to the Legislature regarding SEAP.

Individuals participating in Commissioner approved training (CAT) are also not subject to the continuing eligibility requirements. CAT is available to individuals unlikely to return to work due to a diminishing demand for the individual's skills, or a surplus of workers with those skills in the local labor market, and to other specified individuals.

Also in 2007, the Legislature directed the Workforce Training and Education Coordinating Board to develop state policy objectives for federal Workforce Investment Act (WIA) funds, and ensure that entrepreneurial training opportunities are available through programs of each local workforce development council. Programs funded by WIA prepare youth, dislocated workers, and adults for entry into the labor force.

**Summary of Bill:**

The expiration provision of the 2007 act authorizing SEAP is repealed.

An individual is eligible for SEAP if he or she is eligible for CAT, in addition to if they are likely to exhaust regular benefits.

Individuals eligible for unemployment insurance benefits must be informed of the availability of self-employment assistance programs, entrepreneurial training programs, and CAT. When individuals are likely to exhaust benefits and when individuals are eligible for CAT, ESD must inform individuals of SEAP.

SEAP requirements relating to direct competition with a former employer are removed.

ESD must report to the Legislature by December 1, 2015, on the performance of SEAP.

Individuals who are eligible for WIA services must have the opportunity to enroll in self-employment assistance or entrepreneurial training programs on the same basis as they are provided the opportunity to enroll in other training programs. ESD is directed to work with local workforce development councils to ensure that the contracting process with training providers is efficient and that the number of entrepreneurial training providers on the state's eligible training provider list is sufficient to meet demand. Local workforce development councils must notify individuals eligible for WIA services of the availability of self-employment assistance and entrepreneurial training and develop a plan for providing such training at a rate equal to demand or the rate of self-employment within their service area.

**Appropriation:** None.

**Fiscal Note:** Available.

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