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## Labor & Workforce Development Committee

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### HB 1247

**Brief Description:** Modifying job skills program provisions.

**Sponsors:** Representatives Hansen, Warnick, Smith, Zeiger, Fey, Springer, Tharinger and Santos.

#### Brief Summary of Bill

- Creates an appropriated account and a non-appropriated account for the Job Skills Program.
- Creates an exception for small businesses to the requirement that businesses provide financial support that matches the grant amount.
- Amends some of the criteria used when determining which applications get priority.

**Hearing Date:** 1/30/13

**Staff:** Trudes Tango (786-7384).

#### Background:

The Job Skills Program (JSP), created in 1983, provides short-term training customized to meet businesses' specific needs. The JSP awards grants to licensed educational institutions that work in partnership with business and industry to deliver training to new or current employees at the work site or in a classroom. Financial support from business and industry must be equal to or greater than the amount of the grant, and may be in the form of cash or in-kind resources. According to the 2012 JSP report to the Legislature, most of the in-kind matches from employers are the wages paid to employees while they are in training.

The JSP is administered by the State Board of Community and Technical Colleges (SBCTC). The SBCTC must work collaboratively with the Workforce Training Customer Advisory Committee to assure that the grant program meets certain statutorily established criteria. In

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addition, the JSP must give priority to applications that: (1) propose training of transferable skills; (2) coordinate with other cluster-based programs; (3) propose industry-based credentialing; (4) propose increased capacity for educational institutions that can be available to industry and students beyond the grant recipients; and (5) are from firms in strategic industry clusters as identified by the state or local areas.

The JSP was funded at \$2.725 million from the State General Fund for fiscal year 2012 and fiscal year 2013 of the biennium, for a total of \$5.5 million. The budget proviso requires the SBCTC to make an annual report to the Legislature regarding the implementation of the JSP, listing the scope of grant awards, the distribution of funds by educational sector and region, and the results of the partnerships supported by the funds.

**Summary of Bill:**

The Job Skills Program account is created in the state Treasury. All receipts from appropriations must be deposited into the account, and money may be spent only after appropriation. Expenditures from the account may be used only for the JSP.

A non-appropriated account called the Job Skills Program Trust account is also created. All receipts from gifts, grants, or endowments from public and private sources must be deposited into this account. Expenditures from the account may be used only for the JSP. Only the executive director of the SBCTC or his or her designee may authorize expenditures from the trust account.

The requirement that business and industry provide financial support equal to or greater than the amount of the grant does not apply to small businesses with a gross business income of less than \$500,000.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/23/13.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except section 5 regarding interest on accounts, which has a contingent effective date.