

HOUSE BILL REPORT

SB 5705

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to work force development programs in the employment security department.

Brief Description: Establishing requirements for work force development programs in the employment security department.

Sponsors: Senators Newhouse, Prentice, Pelz, Wojahn, Hale, Heavey, Deccio, Palmer, Prince and Winsley; by request of Joint Task Force on Unemployment Insurance.

Brief History:

Committee Activity:

Commerce & Labor: 3/20/95, 3/27/95 [DPA].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 10 members: Representatives Lisk, Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

Minority Report: Without recommendation. Signed by 1 member: Representative Hargrove, Vice Chairman.

Staff: Pam Madson (786-7166).

Background: The Joint Task Force on Unemployment Insurance was established by the Legislature in 1993 to undertake an in-depth review of Employment Security Department programs. As part of this effort, the task force looked at programs relating to employment and training. The draft report of the task force made a number of findings on which it based recommendations that the department and others could implement to improve coordination, integration, and delivery of services.

Partly in response to the fragmentation of workforce training and education programs at both the state and federal level, the Legislature established the Workforce Training and Education Coordinating Board (WTECB) in 1991 as a central policy planning entity for workforce training. As one of its duties, the board prepared a

comprehensive plan for workforce training and education that was released in 1994. The WTECB does not have authority to require compliance with the plan. The joint legislative task force in its draft report recommends that the Employment Security Department create an operating plan for each workforce development program consistent with the WTECB comprehensive plan and that the operating plans be submitted to WTECB for review before implementation.

The Washington State Job Training Coordinating Council (SJTCC) advises the Governor on the use of federal funds under the federal Job Training Partnership Act. The joint legislative task force in its draft report recommended that the SJTCC prioritize the use of federal funds for programs that match individual capacity and needs and provide training for higher wage jobs available in the community to help insure that trained workers get and retain jobs that keep them employed.

The commissioner of employment security can exempt an unemployment insurance recipient from reporting, work search, and other requirements while the recipient is in training and progressing successfully. The joint legislative task force in its draft report recommends that this commissioner-approved training exemption include those unemployment insurance recipients who are long-term unemployed and who are likely to exhaust their benefits.

The joint legislative task force in its draft report recognized that competitive firms need highly skilled workers and the future of the state's economy depends on availability of skilled workers. The task force recommends that the Employment Security Department should identify gaps in the state's labor market and work with firms and the state board for community and technical colleges to train the needed workers. The department should also coordinate its business assistance efforts with other agencies to emphasize targeted industries and competitive firms.

Summary of Amended Bill: The Employment Security Department and the State Job Training Coordinating Council are directed to implement certain draft recommendations of the Joint Task Force on Unemployment Insurance.

The Employment Security Department is directed to provide an operating plan for each workforce development program consistent with the WTECB comprehensive plan and provide the operating plans to the WTECB in sufficient time to be reviewed before implementation.

The State Job Training Coordinating Council is directed to prioritize the use of federal funds for programs that match individual capacity and needs and that provide training for higher wage jobs available in the community to help insure that workers get and retain jobs that keep them employed. The council must report to the board on specified dates regarding the council's progress.

Long-term unemployed workers or workers likely to exhaust their unemployment benefits who are satisfactorily progressing in a training program approved by the commissioner are considered in training with the approval of the commissioner and are exempt from unemployment insurance reporting and work search requirements. The department must provide information on the right to receive benefits while in an approved training program to applicants for unemployment insurance benefits who fit either criteria.

The Employment Security Department must identify gaps in the state's labor market and work with firms and the state board for community and technical colleges to train the needed workers. The department must also coordinate its business assistance efforts with other agencies to emphasize targeted industries and competitive firms.

Amended Bill Compared to Original Bill: The amendment makes a technical change in the reference to the Wagner-Peyser Act.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill addresses recommendations of the Unemployment Insurance Task Force. These recommendations are consistent with the mission of the Workforce Training and Education Coordinating Board. It clarifies the role of the board and supports the board. Work has begun on these recommendations. Employment Security Department currently does submit plans to the board and works closely with the state Job Training Coordinating Council that has a broad representation and that is required by federal law for receipt of JPTA funds. Concern is expressed over lack of criteria to identify the state's most competitive firms, and whether benefits that have been exhausted while in training may continue for a recipient as long as he or she is in training. The date for specifying common core data to be collected may need to be extended.

Testimony Against: None.

Testified: (In favor) Ellen O'Brien-Saunders, Workforce Training and Education Coordinating Board. (In favor with amendments) Tom Fender, Employment Security Department.