

# SENATE BILL REPORT

## SB 5909

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As Reported By Senate Committee On:  
Labor & Workforce Development, March 2, 1999

**Title:** An act relating to a worker retraining program.

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

**Sponsors:** Senator Fairley.

**Brief History:**

**Committee Activity:** Labor & Workforce Development: 2/23/99, 3/2/99 [DPS].

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### SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5909 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Hochstatter, Kline, Oke and Wojahn.

**Staff:** Jack Brummel (786-7428)

**Background:** The Job Skills Program was created by the Legislature in 1983 to provide customized job training to meet the needs of employers while serving dislocated and disadvantaged individuals. Customized training helps ensure that new and existing businesses can employ highly-skilled workers and that trainees have jobs. About \$1 million is allocated for this program during the current biennium. Washington ranks last in funding amounts among the 47 states that support this type of training.

Since 1993, the State Board for Community and Technical Colleges has received worker retraining funds to support retraining of dislocated or displaced workers. Initial funds were collected through the unemployment insurance system (sometimes called 1988 funds for the bill number that authorized them) and they now come from the general fund. \$57.7 million is available for this worker retraining in the current biennium. The original language controlling the use of these funds sunsets this year and no other statutory guidance exists on the use of these funds.

**Summary of Substitute Bill:** The State Board for Community and Technical Colleges must develop a plan for distribution of worker retraining funds. The use of the funds must be consistent with the unified plan for workforce development and provide increased enrollments for dislocated workers.

Applicants for funds are to gather information on employers, including small business employers, workforce needs. Priority in receipt of funds is to be given to applicants successful in garnering matching funds, entering into partnerships, and serving rural areas.

The college board is to operate the Job Skills Program.

A workforce training customer advisory committee is appointed by the executive director of the college board to help develop the plan for the use of worker retraining funds, recommend selection criteria and applicants for receipt of worker retraining and Job Skills grants, recommend guidelines for program operation, and provide advice on other workforce development activities. The committee consists of three business, three labor, and three college system representatives.

Streamlining changes to the existing job skills statute are made.

**Substitute Bill Compared to Original Bill:** In the substitute, provisions for the specific allocation of funds are removed and priorities are established. The college board operates the job skills program instead of CTED and certain current requirements of the job skills program are restored.

**Appropriation:** None.

**Fiscal Note:** Requested on February 19, 1999.

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

**Testimony For:** Job skills should be expanded. Job skills is considered one of the best economic development programs in the state. The job skills should be moved out of the workforce board because it will be a conflict of interest for them to run it and evaluate it. It is a good idea to supply strategy direction for workers retraining monies. Priority should be given to small business.

**Testimony Against:** Money shouldn't be transferred from worker retraining to job skills. Increased dislocation is expected. It will be easier to manage the job skills program at the colleges.

**Testified:** Rich Nafziger, Governor's Office of Executive Policy (concerns); Ken Johnson, AWB (concerns); Wes Pruitt, WTECB (concerns); Rick Slunaker, Associated General Contractors; Jeff Johnson, WSLC, AFL-CIO (concerns); Carol Albers, Washington Federation of Private Career Schools and Colleges (concerns); Bev Gestrine, Centralia College (con); Dan McConnon, State Board for Community and Technical Colleges.