
Higher Education Committee

ESSB 5555

Brief Description: Regarding lifelong learning accounts.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Shin, King, Marr, Jarrett, McAuliffe, Hobbs, Tom and Kohl-Welles).

Brief Summary of Engrossed Substitute Bill

- Requires the Workforce Training and Education Coordinating Board (Workforce Board) to establish a steering committee to develop policy, budget, outreach, and accountability recommendations for a statewide Lifelong Learning Account (LiLA) program.
- Authorizes the Workforce Board to solicit, accept, and administer federal and private funds and to contract with for-profit and non-profit organizations to support the development of the LiLA program.

Hearing Date: 3/6/09

Staff: Andi Smith (786-7304)

Background:

Lifelong Learning Accounts (LiLAs) are worker-owned, employer-matched portable accounts to finance an individual worker's lifelong education and training. A leading proponent of LiLAs in the United States is the non-profit Council for Adult and Experiential Learning (CAEL). Under CAEL's model approach, LiLAs would be employer-sponsored as part of an employee compensation package and every worker would be eligible for an account. The LiLAs would supplement, not replace, existing employer-supported tuition-assistance programs. Participation by individuals and employers would be optional. LiLAs would be funded by the individual worker, the employer, and, in some cases, third party matches from sources such as foundations,

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public sector grants or tax credits. Accounts would stay with the individual worker regardless of the person's current employer or employment status, and could be used for tuition and fees, assessment fees, supplies, materials and books. An individual worker would choose the training and education needed to meet career goals based on a learning plan developed with help from 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 Washington's *Taking It to the States: A State-Based Lifelong Learning Account Demonstration Initiative* was awarded \$75,000 from the Lumina Foundation through CAEL. The foundation funds are being matched with \$75,000 in cash from the Association of Washington Business, the Pacific Mountain Workforce Development Council, the Health Workforce Institute, and the Workforce Training and Education Coordinating Board. This funding, as well as in-kind contributions, will be used to develop program structure and management systems for an initial regional pilot and future statewide program implementation. The five-county Pacific Mountain region (Thurston, Mason, Lewis, Pacific, Grays Harbor) is the selected demonstration area in which there will be: outreach to employers; assistance to employees who wish to set up voluntary savings systems; savings account implementation; and career advisory services to the initial group of accountholders. The demonstration project is expected to conclude in June 2009.

The LiLA demonstration projects have also been conducted in Chicago (restaurant industry), Indiana (public sector and manufacturing industry), San Francisco (health care industry), Maine, Illinois, and Kansas City. In addition, legislation has been introduced in Iowa and Minnesota. Federal level measures have been introduced that include tax incentives for participating employers and for workers based on their annual contribution amounts.

Summary of Bill:

The Workforce Training and Education Coordinating Board (Workforce Board) must establish a state Lifelong Learning Account Steering Committee including representatives of the Association of Washington Business; the Higher Education Coordinating Board (HECB); the State Board for Community and Technical Colleges; the Department of Community, Trade and Economic Development; the Washington State Hospital Association; the Northwest Career Colleges Federation; the Pacific Mountain Workforce Development Council; the state and regional American Federation of Labor - Congress of Industrial Organizations (AFL-CIO) and Service Employees International Union (SEIU); and other business and labor representatives.

The steering committee, with staff and logistical support from the Workforce Board, must develop a policy framework for a statewide program; identify budget and technical issues and recommendations to resolve them; provide for ongoing outreach to participating workers, employers and foundations; explore career advising options; and, design a performance accountability system.

The steering committee must report performance outcome measures in a biennial report to appropriate legislative committees beginning September 1, 2010.

Appropriation: None.

Fiscal Note: Available.

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