

SENATE BILL REPORT

SB 6371

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, January 26, 2012

Title: An act relating to extending the customized employment training program.

Brief Description: Extending the customized employment training program.

Sponsors: Senators Shin, Benton, Chase, Haugen, Kilmer, Delvin, Hatfield, Schoesler, Becker, McAuliffe and Conway.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/23/12, 1/26/12 [DP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Ericksen, Hatfield, Holmquist Newbry, Kilmer, Shin and Zarelli.

Staff: Jack Brummel (786-7428)

Background: The Washington Customized Employment Workforce Training Program (Program) was created in 2006 for employers locating or expanding in the state. The State Board for Community and Technical Colleges (SBCTC) administers the Program. Training allowances are awarded to employers who have entered into training agreements with colleges in the state. Preference in granting training allowances is given to employers with fewer than 50 employees.

The Employment Training Finance Account was funded for SBCTC to provide training allowances. At the completion of training, employers are required to pay one-quarter of the cost of the training into the account. The additional three-quarters of the cost are to be paid into the account over the following 18 months. A business and occupation tax credit is provided to employers for half of the amount that they pay into the account for employee training. The credit for paying back the training allowance is no longer allowed on or after July 1, 2016.

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.

The employer must make good faith efforts to hire from trainees in the Program, otherwise the employer is expected to make additional payments to the account. Colleges must make good faith efforts to use trainers preferred by employers participating in the Program.

The Program expires on July 1, 2012.

Summary of Bill: The expiration date of the Program is repealed. The termination of the credit is repealed.

Appropriation: None.

Fiscal Note: Requested on January 17, 2011.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Customized training is one of the most important economic development tool a state can have. About 45 states spend more, on a per capita basis, than Washington. If we were average among states, we would be spending tens of millions of dollars on customized training. The revolving fund has a little over \$300,000 for the biennium. Many companies have used this program to train employees. This is an excellent program that lessens the burden on employers paying for training. This will allow the SBCTC to continue providing high quality training. Over 30 employers and 900 trainees have benefitted through this revolving fund. This keeps manufacturing here in Washington and builds partnerships between colleges and businesses.

Persons Testifying: PRO: Senator Shin, prime sponsor; Kathy Goebel, SBCTC; Bob Knight, Clark College; Bryan Wilson, Workforce Training and Education Coordinating Board.