

HOUSE BILL REPORT

HB 1584

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to Washington youthbuilt.

Brief Description: Renaming as "youthbuilt," the youthbuilt program, and providing a tax incentive for business participation.

Sponsors: Representatives Veloria, Skinner, Valle, Ballasiotes, Sheldon, Hatfield, Mason, Van Luven, Conway, Costa, Kessler, Chopp and Dickerson.

Brief History:

Committee Activity:

Trade & Economic Development: 2/9/95, 2/16/95 [DP].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 13 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; D. Schmidt, Vice Chairman; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Ballasiotes; Hatfield; Hickel; Mason; Sherstad; Skinner and Valle.

Staff: Kenny Pittman (786-7392).

Background: The Washington Youthbuild program was created by the Legislature in 1994. The Youthbuild program is designed to address the lack of educational and economic opportunities for disadvantaged youth while they work on projects that result in the expansion or improvement of residential units for low-income or homeless persons.

The Youthbuild program, administered by the Employment Security Department, provides basic educational skills, specialized job training in the construction industry, work experience, and leadership skills for disadvantaged youth who have not completed high school.

The Employment Security Department provides grants to local organizations to implement local Youthbuild programs. The local organization must be eligible to secure additional funding through a public and private partnership and be eligible to provide education and employment training under federal and state law. The A

Youthbuild program participant must be: (1) 16 to 24 years of age; (2) a member of a household with an income that is below 50 percent of the median income for the county; and (3) a high school dropout.

The Employment Security Department was provided a single year of funding to implement the Washington Youthbuild program. Local Youthbuild programs are operating in Wenatchee, Yakima, Spokane, Seattle, and King County.

Summary of Bill: References to "Youthbuild" are replaced with "Youthbuilt."

A business and occupation (B&O) tax credit is given to businesses that make a contribution to an approved local Youthbuild program or to the state for Youthbuilt activities. The B&O tax credit is equal to 50 percent of the approved contribution. The business contribution must be approved by the Department of Revenue and Employment Security Department before it is made. No more than \$4 million in total tax credits are allowed per biennium. No single business may receive more than \$200,000 in tax credits in a taxable year.

The Washington Youthbuilt account is created in the custody of the State Treasurer. The account is subject to appropriation.

Appropriation: \$1 million from the state general fund.

Fiscal Note: Requested on January 31, 1995.

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

Testimony For: This is one program that addresses the needs of youth. The youth come to the program with a variety of needs. We can work to address those needs through education, job and leadership skills. The public/private partnerships are essential to the success of local programs. Youthbuilt is an investment in the youth of our state and it offers the youth a future.

Testimony Against: None.

Testified: (Pro) Fred Bletson, Keshena Denton, Mauriceo Dawson, Leonard White, and Yvonne Erickess-Caluya, Central Area Motivation Program; Valtino Hicks, Gilberto Alaniz, Sarah Harmon, and Jeremy James, Yakima Valley Opportunities Industrialization Council; Sandy Griesse, Wenatchee Private Industries Council; Anne Millane and Taneil Adams, Spokane Educational Service District 101; Tony Pettis and Roberto Riveria, King County Youthbuild; and Curtis Singleton, Tacoma World Trade Center.