

HOUSE BILL ANALYSIS

HB 2214

Brief Description: Continuing the work force employment and training program.

Sponsors: Representatives Huff, Clements, Carlson, Alexander, Mastin, McMorris, and Buck

Hearing: March 14, 1997

BACKGROUND:

The Employment and Training Trust Fund was established in 1993, to fund training and related support services, including financial aid, for unemployed workers and to fund improvements in the state's employment security system. The program is subject to sunset review and termination on June 30, 1998.

Employer tax

The source of money for the trust fund is an employer tax of 0.12 percent of taxable employee wages for employer's in 19 of the 20 rate classes. The tax is paid and collected in the same manner as employer contributions to the unemployment insurance trust fund. It was the Legislature's intent that no net increase occur in employer tax rates so an off-setting reduction of 0.12 percent of taxable wages occurred in employer contributions to the unemployment insurance trust fund for all rate classes except rate class 20. The employer tax and the off-set expire with the end of calendar year 1997.

Education and training

Under this program, money from the trust fund is provided to the State Board for Community and Technical Colleges to provide increased enrollments in training programs for individuals who are unemployed and are eligible for or have exhausted their unemployment benefits within the previous two years. A priority is given to those unemployed workers who are not likely to return to their previous employment because their particular skills are no longer in demand.

Training may include instruction in basic skills and literacy, occupational skills, vocational education, or supplemental instruction for an individual enrolled in a state-approved apprenticeship program. If a student requests training in a private vocational school and no

similar course of training is available at a public institution in the student's congressional district, a community college may contract with a private vocational school to provide the training.

According to the State Community and Technical College Board's 1996-97 implementation plan, once money was received by the state board, distribution to individual colleges occurred in three ways. Each college received money according to a formula based on the level of unemployment in the college's service area. A second amount of money was reserved for dislocated aerospace workers. The remainder was allocated through a request for proposal process with recommendations made by a state-wide advisory committee representing business, labor, the Employment Security Department, the Workforce Training and Education Coordinating Board, and the college system. Each college has a local business and labor advisory committee that reviews proposals. A reserve pool of money is held for responding to unexpected plant closures or other economic dislocations.

The Workforce Training and Education Coordinating Board must review and approve the State Community and Technical College Board's plan for use and evaluation of the funds. The plan must be consistent with the workforce board's comprehensive plan for workforce training.

Benefits for individuals

Money from the employment and training trust fund may be used for financial aid to eligible students. Financial aid is awarded by the college to needy students. Trust fund money is designated through the Omnibus Appropriations Act for training completion aid that is available to those students who have exhausted their unemployment benefits but have not yet completed their training. No specific provision was made for eligible individuals to receive any additional unemployment benefits when their regular benefits were exhausted.

Employment services

Money from the Employment and Training Trust Fund is provided to the Employment Security Department to assist workers in finding employment, provide labor market information, collect revenue for and administer the trust fund, improve information technology, and collocate employment security and job service locations on community and technical college campuses.

Accountability reporting

Both the Employment Security Department and the State Board for Community and Technical Colleges must report to the Legislature annually on the outcomes of providing training and services to unemployed workers under this program.

SUMMARY OF BILL:

Modifications are made to the training programs and employment services funded by the Employment and Training Trust Fund that emphasize training of unemployed workers. The program is extended one year and terminates June 30, 1999. The employer tax terminates at the end of the calendar year 1997 as scheduled.

Education and training

All money appropriated from the Employment and Training Trust Fund for purposes of training unemployed and dislocated workers must be allocated through a request for proposal process. Along with community and technical colleges, private vocational schools and federally-approved apprenticeship programs may compete under the request for proposal process for money for training programs. A state work force training advisory council reviews and approves proposals at the state-level. The state board is allowed to withhold a reserve pool to respond to emergencies.

Training for basic skills and literacy is not included as training that may be funded under this program.

Employment services

Funding under the program no longer includes activities provided by the Employment Security Department to assist workers in finding employment, provide labor market information, collect revenue for and administer the trust fund, improve information technology, or provide collocated employment security and job service locations on community and technical college campuses.

Benefits for individuals

Individuals who are unemployed and in training funded by the trust fund may continue to receive unemployment benefits for up to two years while in training.

Funding authority is not provided for individual financial assistance.

Accountability reporting

The Employment Security Department must report to the Legislature on the number of individuals receiving unemployment insurance benefits while in training. The State Board for Community and Technical Colleges must report to the Legislature on program outcomes. These reports are due by December 1, in every even-numbered year.

Analysis of all state-funded work force training programs

The Workforce Training and Education Coordinating Board must analyze state-funded programs to determine program effectiveness and make recommendations on whether these programs should continue. The board must report its recommendations to the Legislature by December 1, 1999.

RULES AUTHORITY: The bill does not contain provisions addressing the rule-making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: The bill contains an emergency clause and takes effect on July 1, 1997.