
SUBSTITUTE HOUSE BILL 2214

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Huff, Clements, Carlson, Alexander, Mastin, McMorris, Buck, Mitchell, O'Brien, Backlund, D. Sommers, L. Thomas, Cooke and Dyer)

Read first time 03/31/97.

1 AN ACT Relating to employment and training; amending RCW 50.16.090,
2 50.16.096, and 28B.15.820; adding a new section to chapter 28C.18 RCW;
3 adding new sections to chapter 28B.50 RCW; creating new sections;
4 repealing RCW 43.131.377, 50.16.094, and 50.12.261; providing an
5 effective date; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) The economy of the state depends on a well-trained work force
9 that generates productivity needed by employers to compete in the
10 global economy and to pay workers a reasonable wage.

11 (2) Many of Washington's unemployed workers need new or enhanced
12 work force skills to meet current demand in the labor market, and many
13 find they are unlikely to return to their principal occupation or
14 previous industry because their particular skills are no longer
15 demanded.

16 (3) It is imperative that unemployed workers have access to a
17 training system that allows them to enter training as quickly as
18 possible, to return to the work force soon after training is completed,
19 and to focus on occupational skills and vocational education.

1 (4) Unemployed workers need access to assistance to complete any
2 necessary training that efficiently utilizes all available sources of
3 assistance to students and individuals in training while serving the
4 needs of as many unemployed workers as possible.

5 The legislature intends to focus the work force training system,
6 and the community and technical college system in particular, on
7 developing and maintaining a training system for unemployed workers
8 that meets the labor market demand in Washington for well-trained
9 workers.

10 **Sec. 2.** RCW 50.16.090 and 1993 c 226 s 4 are each amended to read
11 as follows:

12 There is hereby established the employment and training trust fund.
13 All moneys in this fund are irrevocably vested for the administration
14 of this title. The employment and training trust fund shall consist of
15 all moneys from employment and training trust fund contributions as
16 established in RCW 50.24.018. The treasurer of the employment security
17 department shall deposit, administer, and disburse all moneys in the
18 fund under rules adopted by the commissioner and RCW 43.01.050 and
19 43.84.092 are not applicable to this fund. The treasurer of the
20 employment security department shall be the treasurer of the employment
21 and training trust fund as described in RCW 50.16.020 and shall give a
22 bond conditioned upon the faithful performance of his or her duties in
23 connection with the fund. All sums recovered on the official bond for
24 losses sustained by the employment and training trust fund must be
25 deposited in the fund. Notwithstanding any provision of this section,
26 all moneys received and deposited in the fund (~~(under chapter 226, Laws~~
27 ~~of 1993,)~~) shall remain part of the employment and training trust fund
28 and may be used solely for the following purposes:

29 (1) Providing training and financial assistance and related support
30 services(~~(, including financial aid,)~~) to individuals who have been
31 terminated or have received a notice of termination from employment,
32 and who are eligible for or have exhausted their entitlement to
33 unemployment compensation benefits within the previous twenty-four
34 months; and

35 (2) (~~Assisting workers in finding employment through job referral,~~
36 ~~job development, counseling, and referral to training resources;~~

37 (3) ~~Obtaining labor market information necessary for the~~
38 ~~administration of the unemployment insurance program and to assist~~

1 unemployed workers in finding employment. In obtaining the information
2 the employment security department shall ensure the inclusion of
3 information gathered from small businesses as defined in RCW 43.31.025,
4 with particular emphasis on businesses with fifteen or fewer employees;

5 (4) Performing research by an independent state auditing agency or
6 an independent contractor to determine effectiveness of unemployment
7 insurance programs and to determine whether program changes would
8 benefit workers and employers;

9 (5)) Collecting contributions for and administration of the
10 employment and training trust fund((;

11 (6) Improving service through improved use of information
12 technology; and

13 (7) Establishing collocation employment security and job service
14 outstations at community and technical college campuses across the
15 state. These outstations shall provide a one stop point of access for
16 unemployed and dislocated workers seeking job placement services,
17 training program information, and labor market information. In
18 communities without co-located outstations the local job service center
19 and community or technical college shall collaborate to provide these
20 services)).

21 **Sec. 3.** RCW 50.16.096 and 1993 c 226 s 8 are each amended to read
22 as follows:

23 (({1})) The employment security department shall disburse the
24 amounts appropriated by the legislature ((for the purposes of chapter
25 226, Laws of 1993)) from the employment and training trust fund to the
26 state board for community and technical colleges for unemployed worker
27 retraining under section 5 of this act. ((These funds shall be
28 allotted for, and only for, training programs and related support
29 services, including financial aid, in the community and technical
30 college system that:

31 (a) Are consistent with work force training priorities and based
32 upon the comprehensive plan for work force training developed by the
33 work force training and education coordinating board. The state board
34 for community and technical colleges shall develop a plan for use and
35 evaluation of these funds which is to be approved by the work force
36 training and education coordinating board for consistency with their
37 work force priorities. In developing and approving the plan,
38 information shall be gathered from small businesses as defined in RCW

1 43.31.025, with particular emphasis on businesses with fifteen or fewer
2 employees. Further, the state board for community and technical
3 colleges shall report to the work force training and education
4 coordinating board and the legislature annually on the progress and
5 results of the training and support services provided to eligible
6 participants;

7 (b) Provide increased enrollments for individuals who have been
8 terminated or have received a notice of termination from employment,
9 and who are eligible for or have exhausted their entitlement to
10 unemployment compensation benefits within the previous twenty four
11 months, with first priority given to individuals who are unlikely to
12 return to employment in the individuals' principal occupation or
13 previous industry because of a diminishing demand for their skills in
14 that occupation or industry; and

15 (c) Provide increased enrollments and support services, including
16 financial aid, that do not replace or supplant any existing
17 enrollments, programs, support services, or funding sources. For
18 fiscal year 1994, the state board for community and technical colleges
19 may borrow from the general fund to initiate the programs authorized
20 under chapter 226, Laws of 1993. However, the board shall repay the
21 borrowed amount by the end of the fiscal biennium from funds
22 appropriated to it from the employment and training trust fund.

23 (2) For purposes of chapter 226, Laws of 1993, training provided by
24 the community and technical colleges shall only consist of basic skills
25 and literacy, occupational skills, vocational education, and related or
26 supplemental instruction for apprentices who are enrolled in a
27 registered, state-approved apprenticeship program. Community and
28 technical colleges may contract with skill centers to provide training
29 authorized in this section. Upon the request of an eligible recipient,
30 a community and technical college may contract with a private technical
31 school for specialized vocational training. Available tuition for the
32 training is limited to the amount that would otherwise be obtained per
33 enrolled quarter to a public institution. Furthermore, the funding is
34 only available to students who seek training in a course of study not
35 available at a public institution within an eligible recipient's
36 congressional district.))

37 NEW SECTION. **Sec. 4.** A new section is added to chapter 28C.18 RCW
38 to read as follows:

1 (1) The board shall establish a job retraining advisory committee
2 to review and approve proposals from community and technical colleges,
3 private vocational schools, and state and federally approved
4 apprenticeship programs.

5 (2) Membership on the job retraining advisory committee must
6 include at least three members representing business, three members
7 representing labor, a member representing the state board for community
8 and technical colleges, a member representing the employment security
9 department, and a member representing private vocational schools.
10 Additional members may be appointed as deemed appropriate by the board.
11 However, business and labor members shall represent a majority of the
12 total committee membership.

13 (3) In reviewing and approving proposals made through the state
14 board for community and technical colleges, the advisory committee
15 shall consider at least the following criteria:

16 (a) Training must prepare students for occupations that have
17 demonstrated employment demand for qualified workers;

18 (b) Training programs must lead to jobs that provide a living wage
19 appropriate to the local labor market;

20 (c) Dislocated workers shall have priority access to training
21 programs and financial assistance under section 5 of this act.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.50 RCW
23 to read as follows:

24 (1) Any money appropriated by the legislature to the state board
25 for community and technical colleges for the purposes of retraining
26 unemployed workers may be allotted and expended only for:

27 (a) Training programs approved by the job retraining advisory
28 committee under the work force training and education coordinating
29 board using a request for proposal process;

30 (b) Financial assistance for individuals who are unemployed
31 workers, are in training under an approved training plan, and will
32 exhaust unemployment benefits before their training under the training
33 plan is completed. Financial assistance may also be directed to
34 unemployed workers enrolling in training to allow them to enter
35 training and provide assistance before other training aid is actually
36 available; and

1 (c) Tuition grants to students enrolling in a private technical
2 school licensed under RCW 28C.10.060 or chapter 18.16 RCW, or
3 authorized under chapter 28B.85 RCW.

4 (2) For purposes of chapter . . . , Laws of 1997 (this act), an
5 unemployed worker is an individual who has been terminated or has
6 received a notice of termination from employment, and who is eligible
7 for or has exhausted his or her entitlement to unemployment
8 compensation benefits within the previous twenty-four months. A
9 dislocated worker is an unemployed worker who is unlikely to return to
10 employment in the individual's principal occupation or previous
11 industry because of a diminishing demand for his or her skills in the
12 occupation or industry.

13 (3) Training programs approved by the job retraining advisory
14 committee and provided by the community and technical colleges shall
15 consist only of occupational skills and vocational education.

16 (4) Training provided to fulfill an unemployed worker's individual
17 training plan must concentrate on occupational skills and vocational
18 education but may be supplemented by basic skills and literacy
19 training. Training may include related or supplemental instruction for
20 apprentices who are enrolled in a federally registered or state-
21 approved apprenticeship program.

22 (5) A private technical school licensed under RCW 28C.10.060 or
23 chapter 18.16 RCW, or authorized under chapter 28B.85 RCW, may submit
24 requests for tuition grants for unemployed workers seeking retraining
25 under chapter . . . , Laws of 1997 (this act) directly to the job
26 retraining advisory committee for approval.

27 (6) Increased enrollments, financial assistance, and related
28 support services provided under this section may not replace or
29 supplant any existing enrollments, programs, support services, or
30 funding sources.

31 (7) The state board for community and technical colleges shall
32 develop a plan for use and evaluation of these funds and shall submit
33 the plan to the work force training and education coordinating board
34 for approval. The plan must show how the use of these funds responds
35 to the proposals approved through the request for proposal process.

36 (8) The state board for community and technical colleges shall
37 report to the work force training and education coordinating board and
38 appropriate committees of the legislature by December 1, 1998, and
39 every even-numbered year thereafter, on the progress and results of the

1 training and financial assistance provided to eligible participants.

2 The report must include the following:

3 (a) The number of certified student full-time equivalents receiving
4 training as provided in chapter . . . , Laws of 1997 (this act);

5 (b) Information on the outcomes of the training provided under
6 chapter . . . , Laws of 1997 (this act);

7 (c) Indices of placement rates, student demographics, training plan
8 completion rates, comparisons of preprogram and postprogram wage
9 levels, and the job placements that occur in the occupation for which
10 the student was trained compared to job placements in occupations
11 unrelated to the training; and

12 (d) The number of students served through the program with specific
13 designation of students who are unemployed workers and students who are
14 dislocated workers.

15 NEW SECTION. **Sec. 6.** A new section is added to chapter 28B.50 RCW
16 to read as follows:

17 (1) Community and technical colleges, state and federally approved
18 apprenticeship programs, and private technical schools licensed under
19 RCW 28C.10.060 or chapter 18.16 RCW, or authorized under chapter 28B.85
20 RCW, may submit to the state board for community and technical colleges
21 a proposal that meets the criteria established under section 4 of this
22 act and criteria established by the job retraining advisory committee.
23 The proposal must contain the college's, state or federally approved
24 apprenticeship program's, or private technical school's plan for
25 retraining eligible individuals.

26 (2) Each community and technical college shall confer and consult
27 with its respective labor-management advisory board in the development
28 of the college's proposal.

29 (3) State and federally approved apprenticeship programs and
30 private technical schools shall consult with the local community and
31 technical college labor-management advisory board, chambers of
32 commerce, or similar entities to determine job availability and the
33 demand for job skills and shall submit their proposals with the
34 community college's request for proposal to the state board for
35 community and technical colleges. Except as provided in subsection (4)
36 of this section, the state board for community and technical colleges
37 shall allocate enrollments and funding based on the proposals submitted

1 to the state board for community and technical colleges and approved by
2 the job retraining advisory committee.

3 (4) The state board for community and technical colleges may
4 withhold a portion of the work force training enrollments and funding
5 in an emergency pool to be used by colleges in the event of an
6 emergency. If the request for proposal has been submitted by a college
7 to the state board for community and technical colleges and
8 occupational demand for enrollment exceeds a community or technical
9 college's original request for proposal, then with the recommendation
10 of the job retraining advisory committee, the state board for community
11 and technical colleges may fund some or all of the additional
12 enrollment without requiring the community or technical college to
13 adhere to the full requirements of the request for proposal process.

14 **Sec. 7.** RCW 28B.15.820 and 1995 1st sp.s. c 9 s 10 are each
15 amended to read as follows:

16 (1) Each institution of higher education, including technical
17 colleges, shall deposit a minimum of three and one-half percent of
18 revenues collected from tuition and services and activities fees in an
19 institutional financial aid fund that is hereby created and which shall
20 be held locally. Moneys in the fund shall be used only for the
21 following purposes: (a) To make guaranteed long-term loans to eligible
22 students as provided in subsections (3) through (8) of this section;
23 (b) to make short-term loans as provided in subsection (9) of this
24 section; or (c) to provide financial aid to needy students as provided
25 in subsection (10) of this section.

26 (2) An "eligible student" for the purposes of subsections (3)
27 through (8) and (10) of this section is a student registered for at
28 least six credit hours or the equivalent, who is eligible for resident
29 tuition and fee rates as defined in RCW 28B.15.012 (~~through and~~)
30 and 28B.15.013, and who is a "needy student" as defined in RCW
31 28B.10.802.

32 (3) The amount of the guaranteed long-term loans made under this
33 section shall not exceed the demonstrated financial need of the
34 student. Each institution shall establish loan terms and conditions
35 which shall be consistent with the terms of the guaranteed loan program
36 established by 20 U.S. Code Section 1071 et seq., as now or hereafter
37 amended. All loans made shall be guaranteed by the Washington student
38 loan guaranty association or its successor agency. Institutions are

1 hereby granted full authority to operate as an eligible lender under
2 the guaranteed loan program.

3 (4) Before approving a guaranteed long-term loan, each institution
4 shall analyze the ability of the student to repay the loan based on
5 factors which include, but are not limited to, the student's
6 accumulated total education loan burdens and the employment
7 opportunities and average starting salary characteristics of the
8 student's chosen fields of study. The institution shall counsel the
9 student on the advisability of acquiring additional debt, and on the
10 availability of other forms of financial aid.

11 (5) Each institution is responsible for collection of guaranteed
12 long-term loans made under this section and shall exercise due
13 diligence in such collection, maintaining all necessary records to
14 insure that maximum repayments are made. Institutions shall cooperate
15 with other lenders and the Washington student loan guaranty
16 association, or its successor agency, in the coordinated collection of
17 guaranteed loans, and shall assure that the guarantability of the loans
18 is not violated. Collection and servicing of guaranteed long-term
19 loans under this section shall be performed by entities approved for
20 such servicing by the Washington student loan guaranty association or
21 its successor agency: PROVIDED, That institutions be permitted to
22 perform such servicing if specifically recognized to do so by the
23 Washington student loan guaranty association or its successor agency.
24 Collection and servicing of guaranteed long-term loans made by
25 community colleges under subsection (1) of this section shall be
26 coordinated by the state board for community and technical colleges and
27 shall be conducted under procedures adopted by the state board.

28 (6) Receipts from payment of interest or principal or any other
29 subsidies to which institutions as lenders are entitled, that are paid
30 by or on behalf of borrowers of funds under subsections (3) through (8)
31 of this section, shall be deposited in each institution's financial aid
32 fund and shall be used to cover the costs of making the guaranteed
33 long-term loans under this section and maintaining necessary records
34 and making collections under subsection (5) of this section: PROVIDED,
35 That such costs shall not exceed five percent of aggregate outstanding
36 loan principal. Institutions shall maintain accurate records of such
37 costs, and all receipts beyond those necessary to pay such costs, shall
38 be deposited in the institution's financial aid fund.

1 (7) The governing boards of the state universities, the regional
2 universities, and The Evergreen State College, and the state board for
3 community and technical colleges, on behalf of the community colleges
4 and technical colleges, shall each adopt necessary rules and
5 regulations to implement this section.

6 (8) First priority for any guaranteed long-term loans made under
7 this section shall be directed toward students who would not normally
8 have access to educational loans from private financial institutions in
9 Washington state, and maximum use shall be made of secondary markets in
10 the support of loan consolidation.

11 (9) Short-term loans, not to exceed one year, may be made from the
12 institutional financial aid fund to students enrolled in the
13 institution. No such loan shall be made to any student who is known by
14 the institution to be in default or delinquent in the payment of any
15 outstanding student loan. A short-term loan may be made only if the
16 institution has ample evidence that the student has the capability of
17 repaying the loan within the time frame specified by the institution
18 for repayment.

19 (10) Any moneys deposited in the institutional financial aid fund
20 that are not used in making long-term or short-term loans may be used
21 by the institution for locally-administered financial aid programs for
22 needy students, such as need-based institutional employment programs or
23 need-based tuition and fee scholarship or grant programs. These funds
24 shall be used in addition to and not to replace institutional funds
25 that would otherwise support these locally-administered financial aid
26 programs. In community colleges and technical colleges, first priority
27 in the use of these funds shall be provided to needy resident
28 dislocated and unemployed workers to assist these students with tuition
29 and fees, books, childcare, and transportation. In the baccalaureate
30 institutions, first priority in the use of these funds shall be given
31 to needy students who have accumulated excessive educational loan
32 burdens. An excessive educational loan burden is a burden that will be
33 difficult to repay given employment opportunities and average starting
34 salaries in the student's chosen fields of study. Second priority in
35 the use of these funds shall be given to needy single parents, to
36 assist these students with their educational expenses, including
37 expenses associated with child care and transportation.

1 NEW SECTION. **Sec. 8.** The following acts or parts of acts are each
2 repealed:

3 (1) RCW 43.131.377 and 1993 c 226 s 18;

4 (2) RCW 50.16.094 and 1995 c 57 s 1 & 1993 c 226 s 6; and

5 (3) RCW 50.12.261 and 1993 c 226 s 17.

6 NEW SECTION. **Sec. 9.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

10 NEW SECTION. **Sec. 10.** If any part of this act is found to be in
11 conflict with federal requirements that are a prescribed condition to
12 the allocation of federal funds to the state or the eligibility of
13 employers in this state for federal unemployment tax credits, the
14 conflicting part of this act is inoperative solely to the extent of the
15 conflict, and the finding or determination does not affect the
16 operation of the remainder of this act. Rules adopted under this act
17 must meet federal requirements that are a necessary condition to the
18 receipt of federal funds by the state or the granting of federal
19 unemployment tax credits to employers in this state.

20 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 July 1, 1997.

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