

HOUSE BILL REPORT

HB 1180

As Reported By House Committee On:
Economic Development, Housing & Trade

Title: An act relating to youth job training and work force preparation.

Brief Description: Revising the Washington youthbuilt program.

Sponsors: Representatives Van Luven, Veloria, Tokuda, Cody, Kessler, Grant, Doumit, Kenney, D. Schmidt, Ballasiotes, Regala, Alexander, Gombosky, Skinner, Radcliff, O'Brien, Murray, Campbell, Ogden, Wood, Santos, Lovick, McIntire, Conway, Lantz, Linville and Stensen.

Brief History:

Committee Activity:

Economic Development, Housing & Trade: 1/26/99 [DP].

Brief Summary of Bill

- Allows up to 25 percent of the local Youthbuilt program participants to have completed high school.
- Provides a B&O tax credit to businesses that contribute to a local Youthbuilt program.
- Appropriates \$2 million from the general fund-state to the Employment Security Department.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING & TRADE

Majority Report: Do pass. Signed by 10 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic Vice Chair; Ballasiotes; Miloscia; Morris; Radcliff; Skinner and Wolfe.

Staff: Kenny Pittman (786-7392).

Background:

The Washington Youthbuilt Program was created by the Legislature in 1994 and is designed to address the lack of educational and economic opportunities for disadvantaged youth. This is accomplished by providing work on projects that result in the expansion or improvement of residential housing units for low-income or homeless persons. The program provides basic educational skills training, specialized job training in the construction industry, work experience, and leadership skills for disadvantaged youth that have not completed high school.

The Washington Youthbuilt Program is administered by the Employment Security Department, in consultation with the Department of Community, Trade, and Economic Development. The Employment Security Department may provide grants, the lessor of \$300,000 or 25 percent of the total project costs, to local organizations to implement local Youthbuilt 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 program participants must be: (1) 16 to 24 years of age; (2) a member of a household with an income that is at or below 50 percent of the median income for the county; and (3) a high school dropout.

Washington's major business tax is the business and occupation (B&O) tax. The tax is imposed on the gross receipts of business activities conducted within the state, without any deductions for the cost of doing business. Businesses are taxable according to the activities they engage in and therefor may be subject to more than one tax rate.

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Appropriation: The sum of \$1 million from the general fund to the Employment Security Department for the fiscal year ending June 30, 2000. One million dollars from the general fund to the Employment Security Department for the fiscal year ending June 30, 2001.

Fiscal Note: Requested on January 19, 1999.

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

Testimony For: The Youthbuilt program teaches important job and personal skills. The participants are now opening doors to future opportunities. We now have something to look forward to. This is an investment in my life and makes me an asset to my community.

Testimony Against: None.

Testified: (In support) Representative Steve Van Luven, prime sponsor; Jennifer Richards, W.G. Clark Construction Company; Amanda Fords, citizen; Mike Brock, citizen; Randy George, citizen; and Chad Star, citizen.