

# HOUSE BILL REPORT

## ESSB 5909

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**As Passed House:**

April 15, 1999

**Title:** An act relating to a worker retraining program.

**Brief Description:** Modifying the job skills program.

**Sponsors:** Senate Committee on Labor & Workforce Development (originally sponsored by Senator Fairley).

**Brief History:**

**Committee Activity:**

Commerce & Labor: 3/25/99, 4/2/99 [DP];

Appropriations: 4/5/99 [DP].

**Floor Activity:**

Passed House: 4/15/99, 97-0.

**Brief Summary of Engrossed Substitute Bill**

- Transfers the Job Skills program to the State Board for Community and Technical Colleges from the Workforce Training and Education Coordinating Board.
- Establishes statutory guidance for the worker retraining program funds appropriated to the State Board for Community and Technical Colleges.
- Establishes a workforce training customer advisory committee to assist the State Board for Community and Technical Colleges in implementing the Job Skills program and the worker retraining program.

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**HOUSE COMMITTEE ON COMMERCE & LABOR**

**Majority Report:** Do pass. Signed by 6 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; Wood, Democratic Vice Chair; Hurst; McIntire and McMorris.

**Minority Report:** Do not pass. Signed by 2 members: Representatives B. Chandler, Republican Vice Chair and Lisk.

**Staff:** Pam Madson (786-7166).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

**Staff:** Mary Alice Grobins (786-7118).

### **Background:**

#### Job Skills Program

The Job Skills program was created in 1983. The program matches employers and industries having specific training needs with educational institutions that can provide customized training for employees. The program targets areas with high concentrations of economically disadvantaged persons and high unemployment, areas with new and growing industries, areas with shortages of skilled labor related to the demand, and areas experiencing economic dislocation. Training is provided to new employees being trained for a new company or an expanding company, current employees needing retraining to prevent dislocation, and training of current employees to upgrade skills for available positions.

The program is administered by the Workforce Training and Education Coordinating Board. For the 1997-99 biennium, state funds totaled more than 1.1 million dollars. These funds are matched by the private sector in cash or in-kind contributions. For the 1995-97 biennium, the ratio of public funds to private sector contributions was \$1 million in public funds and \$5 million in private sector contributions to provide 14 customized training projects.

#### Worker Retraining Program

Since 1993, the State Board for Community and Technical Colleges has received worker retraining money to support and provide for the training of dislocated workers. Initial funds were provided through the Employment and Training Trust Fund (often referred to as the 1988 program). The total appropriation for the 1997-99 biennium was \$57.5 million. The Employment and Training Trust Fund expired

in 1997 and all other statutory guidance for the use of these funds and implementation of the program expired in June 1998 under the sunset review process. Money was provided from the state general fund for fiscal year 1999 to allow the program to complete the biennium. The money was subject to a proviso in the budget bill that restricted its use to training and support services for unemployed and dislocated workers. The state board was also directed to develop a plan for allocating the money to be reviewed and approved by the Workforce Training and Education Coordinating Board.

The State Board for Community and Technical Colleges created a state-level advisory committee in 1993 for the worker retraining program. The committee, currently designated the Worker Retraining Advisory Committee, consists of members representing business, labor, government and education. The committee advises the state board on funding of programs developed by an educational institution for training dislocated workers. There is no statutory requirement for a state-level advisory committee.

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### **Summary of Bill:**

#### Job Skills Program

Administration of the Job Skills program is transferred from the Workforce Training and Education Coordinating Board to the State Board for Community and Technical Colleges. Beginning October 1, 1999, and every two years thereafter, the college board must provide the Legislature and Governor with a report on the activities and outcomes of the program.

#### Worker Retraining Program

The State Board for Community and Technical Colleges is directed to use worker retraining money for training programs and related support services that provide increased enrollments for dislocated workers, and provide customized training opportunities for dislocated workers. The money must be used in a manner that is consistent with the state's unified plan for workforce development.

The state board must develop a plan for the use of these funds that selects applicants who actively solicit private sector matching funds for the training programs, develop customized training programs together with local businesses, labor organizations and industry associations, and who serve rural areas. The state board must also ensure that institutions receiving funds obtain information from local workforce development councils on the work force needs of business, including small businesses. Eligible private career schools and colleges may receive grants limited to the tuition amount paid per enrolled quarter to a public institution.

## Workforce Training Customer Advisory Committee

The Workforce Training Customer Advisory Committee is established consisting of three college system representatives, three business representatives and three labor representatives. The business and labor representatives must be selected from nominees provided by statewide business and labor organizations. Committee members must be appointed by July 1, 1999.

The committee assists the State Board for Community and Technical Colleges in developing its plan for the use of worker retraining money and guidelines for the program. The committee must also recommend selection criteria for institutions seeking grants for worker training programs and for project applicants seeking job skills grants.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** (Commerce & Labor) Washington, of all the states, provides very little money for customized training which is training where there is a job at the end of the training. This program is one of the three most effective programs in the state as determined by economic development councils. Under the proposed workforce training bill, this program needs a new home since it is inconsistent for the Workforce Development Board to evaluate a program that it administers. This version of the bill does a number of things. It puts into statute a business, labor, and government advisory committee to make recommendations, including setting criteria, for worker retraining and job skills. A similar committee structure has been used by the community and technical colleges from the beginning of the program but it has not been a statutory requirement. This bill is complimentary to the workforce training bill. Many interests have worked on this bill to get it to its present form. The bill insures there is private sector oversight, priority for rural areas, accountability for results, and a direct linkage to the proposed workforce training bill. Most of the job skills training grants have used the community and technical colleges from the beginning, and community and technical colleges have provided the training for the worker retraining program. Administratively it makes sense to have similar programs run from the same agency rather than have these programs run by different agencies. An emergency clause is necessary because the planning cycle for the community and technical colleges for the worker retraining program is currently under way.

(Appropriations)

This bill establishes guidance in statute for the 1988 program and moves the Job Skills Program to the State Board for Community and Technical Colleges.

**Testimony Against:** (Commerce & Labor) None

(Appropriations) None.

**Testified:** (Commerce & Labor) Jeff Johnson, Washington State Labor Council; Rich Nafziger, Governor's Office; Dan McConnon, State Board for Community and Technical Colleges; and Wes Pruitt, Workforce Training and Education Coordinating Board.

(Appropriations) Rich Nafziger, Governor's Office.