
SECOND SUBSTITUTE SENATE BILL 6326

State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Shin, Rasmussen, Pflug, Doumit, Rockefeller, Weinstein, Pridemore, Hewitt, Jacobsen, Thibaudeau, Swecker, Sheldon, Oke, Keiser, Kohl-Welles, Franklin, Kline and Berkey)

READ FIRST TIME 02/17/06.

1 AN ACT Relating to providing a source of funding for customized
2 work force training; adding a new section to chapter 82.04 RCW; adding
3 a new section to chapter 28B.50 RCW; adding a new chapter to Title 28B
4 RCW; making an appropriation; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the provision of
7 customized training is critical to attracting and retaining businesses,
8 and that the growth of many businesses is limited by an unmet need for
9 customized training. The legislature also finds that work force
10 training not only helps business, it also improves the quality of life
11 for workers and communities. Because of the statewide public benefit
12 to be gained from instituting a customized training program, the
13 legislature intends to create a new program to fund work force training
14 in a manner that reduces the up-front costs of training to new and
15 expanding firms.

16 NEW SECTION. **Sec. 2.** The definitions in this section apply
17 throughout this chapter unless the context clearly requires otherwise.

1 (1) "Board" means the state board for community and technical
2 colleges.

3 (2) "Costs of training" and "training costs" means the direct costs
4 experienced under a contract with a qualified training institution for
5 formal technical or skill training, including basic skills. "Costs of
6 training" includes amounts in the contract for costs of instruction,
7 materials, equipment, rental of class space, marketing, and overhead.
8 "Costs of training" does not include employee tuition reimbursements
9 unless the tuition reimbursement is specifically included in a
10 contract.

11 (3) "Participant" means a private employer that, under this
12 chapter, undertakes a training program with a qualified training
13 institution.

14 (4) "Qualified training institution" means a public community or
15 technical college or a private vocational school licensed by either the
16 work force training and education coordinating board or the higher
17 education coordinating board.

18 (5) "Training allowance" and "allowance" means a voucher, credit,
19 or payment from the board to a participant to cover training costs.

20 (6) "Training program" means a program funded under this chapter at
21 a qualified training institution.

22 NEW SECTION. **Sec. 3.** (1) The Washington customized employment
23 training program is hereby created to provide training assistance to
24 employers locating or expanding in the state.

25 (2)(a) Application to receive funding under this program shall be
26 made to the board in a form and manner as specified by the board.
27 Successful applicants shall receive a training allowance from the board
28 to cover the costs of training at a qualified training institution.
29 Employers may not receive an allowance for training costs which exceed
30 the maximum annual training cost per employee, as established by the
31 board, and are not eligible to receive an allowance or allowances of
32 over five hundred thousand dollars per calendar year.

33 (b) Allowances shall be granted for applicants who meet the
34 following criteria:

35 (i) The employer must have entered into an agreement with a
36 qualified training institution to engage in customized training and the
37 employer must agree to: (A) Upon completion of the training, make a

1 payment to the employment training finance account created in section
2 6 of this act in an amount equal to one-quarter of the amount of the
3 training allowance; and (B) over the subsequent eighteen months, make
4 monthly or quarterly payments, as specified in the agreement, to the
5 employment training finance account created in section 6 of this act in
6 an amount equal to three-quarters of the amount of the training
7 allowance. The payments into the employment training finance account
8 provided for in this section do not constitute payment to the
9 institution.

10 (ii) The employer must ensure that the number of employees an
11 employer has in the state during the calendar year following the
12 completion of the training program will equal the number of employees
13 the employer had in the state in the calendar year preceding the start
14 of the training program plus seventy-five percent of the number of
15 trainees. The agreement with the qualified training institution
16 provided for in (b)(i) of this subsection shall specify terms for
17 reimbursement or additional payment to the employment training finance
18 account by the employer if the employment criterion of this subsection
19 is not met.

20 (iii) The training grant may not be used to train workers who have
21 been hired as a result of a strike or lockout.

22 (3) Qualified training institutions may enter into agreements with
23 four-year institutions of higher education, as defined in RCW
24 28B.10.016, in accordance with the interlocal cooperation act, chapter
25 39.34 RCW.

26 (4) The board and qualified training institutions may solicit and
27 receive gifts, grants, funds, fees, and endowments, in trust or
28 otherwise, from tribal, local, federal, or other governmental entities,
29 as well as private sources, for the purpose of providing training
30 allowances under this act. All revenue thus solicited and received
31 shall be deposited into the employment training finance account created
32 in section 6 of this act.

33 (5) The board may adopt rules to implement this section.

34 NEW SECTION. **Sec. 4.** This chapter, being necessary for the
35 welfare of the state and its inhabitants, shall be liberally construed
36 to effect its purposes. Insofar as the provisions of this chapter are

1 inconsistent with the provisions of any general or special law, or
2 parts thereof, the provisions of this chapter shall be controlling.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW
4 to read as follows:

5 In computing the tax imposed under this chapter, a credit is
6 allowed for participants in the Washington customized employment
7 training program created in section 3 of this act. The credit allowed
8 under this section is equal to fifty percent of the value of a
9 participant's payments to the employment training finance account
10 created in section 6 of this act. If a participant in the program does
11 not meet the qualifications in section 3(2)(b)(ii) of this act, the
12 participant must remit to the department the value of any credits taken
13 plus interest. The credit earned by a participant in one calendar year
14 may be carried over to be credited against taxes incurred in a
15 subsequent calendar year. No credit may be allowed for repayment of
16 training allowances received from the Washington customized employment
17 training program on or after July 1, 2016.

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

20 (1) All payments received from a participant in the Washington
21 customized employment training program created in section 3 of this act
22 shall be deposited into the employment training finance account, which
23 is hereby created in the custody of the state treasurer. Only the
24 state board for community and technical colleges may authorize
25 expenditures from the account and no appropriation is required for
26 expenditures. The money in the account must be used solely for
27 training allowances under the Washington customized employment training
28 program created in section 3 of this act. The deposit of payments
29 under this section from a participant shall cease when the board
30 specifies that the participant has met the monetary obligations of the
31 program.

32 (2) All revenue solicited and received under the provisions of
33 section 3(4) of this act shall be deposited into the employment
34 training finance account to provide training allowances.

35 (3) The definitions in section 2 of this act apply to this section.

1 NEW SECTION. **Sec. 7.** The sum of five million dollars is
2 appropriated for the fiscal year ending June 30, 2007, from the general
3 fund to the employment training finance account for the purposes of
4 this act.

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

9 NEW SECTION. **Sec. 9.** Sections 1 through 4 of this act constitute
10 a new chapter in Title 28B RCW.

11 NEW SECTION. **Sec. 10.** Sections 1 through 4 and 6 of this act
12 expire July 1, 2016.

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