

HOUSE BILL REPORT

3SSB 5743

As Reported by House Committee On:
Higher Education

Title: An act relating to linking economic clusters and quality management practices to customized training.

Brief Description: Linking economic clusters and quality management practices to customized training.

Sponsors: Senate Committee on Economic Development, Trade & Management (originally sponsored by Senators Kastama, Kilmer and Shin).

Brief History:

Committee Activity:

Higher Education: 2/20/08, 2/25/08 [DP].

Brief Summary of Third Substitute Bill

- Increases the links between the Job Skills Program and cluster and industry specific public investments.
- Encourages businesses participating in the Job Skills Program to participate in training and workshops designed to improve company productivity and effectiveness.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 10 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Hankins, Hasegawa, Jarrett, McIntire, Roberts, Schmick and Sommers.

Staff: Cece Clynch (786-7195).

Background:

Job Skills Program

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Job Skills Program (JSP), created by the Legislature in 1983, is a state-supported program that provides customized training for employers. The JSP delivers training to new hires or current employees at their work-site or in a classroom. The Workforce Training and Education Coordinating Board found in 2004 that training through the JSP was associated with a 10 percent increase in worker's earnings.

The JSP is administered by the State Board for Community and Technical Colleges (SBCTC), and businesses contribute a dollar-for-dollar cash or in-kind match. The JSP supports areas with new and growing industries, locations where the local population does not have the skills needed to stay employed, and those regions impacted by economic changes that cause large-scale job losses.

Cluster

A cluster is a geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and association institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also cooperate. A cluster exists when there is a high concentration of such partners within a geographic region. The existence of an unusually high number of firms and jobs in an industry in an area generally provides evidence that that area has a comparative advantage over other areas for that industry.

Summary of Bill:

It is state policy to ensure that skill training programs are not only available on a regional basis and utilized by a variety of businesses and industries, but are also closely linked to cluster and industry specific public investments.

As part of the JSP, the SBCTC is to: (1) develop additional mechanisms for identifying and providing outreach to firms with a strong potential to be globally competitive after participating in the JSP; and (2) encourage businesses participating in the JSP to participate in training and workshops designed to improve company productivity and effectiveness.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The Job Skills Program helps workers, who are currently working, obtain needed skills. This is beneficial to the workers and the employers. The bill formalizes current informal links and relationships with clusters and industry skill panels. Businesses have reported positive outcomes as a result of the program, including increases in sales, decreases

in worker turnover, and increased orders for products. At the same time, workers report higher earnings with the additional training. Last year, the program had to turn away grant applications totaling \$3 million which could have assisted 2,100 workers obtain additional skills and training. These grants are matching grants.

(Opposed) None.

Persons Testifying: (In support) Carolyn Cummins, State Board for Community and Technical Colleges.

Persons Signed In To Testify But Not Testifying: None.