

E2SSB 5809 - H COMM AMD

By Committee on Commerce & Labor

ADOPTED AS AMENDED 04/14/2009

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) This is a time of great economic difficulty for the residents
5 of Washington state;

6 (b) Education and training provides opportunity for unemployed
7 workers and economically disadvantaged adults to move into living wage
8 jobs and is of critical importance to the current and future prosperity
9 of the residents of Washington state;

10 (c) Community and technical college workforce training programs,
11 private career schools and colleges, and Washington state
12 apprenticeship and training council-approved apprenticeship programs
13 provide effective and efficient pathways for people to enter
14 high-demand occupations while also meeting the needs of the economy;

15 (d) The identification of high-demand occupations needs to be based
16 on reliable labor market research; and

17 (e) Workforce development councils are in a position to provide
18 funding for economically disadvantaged adults and unemployed workers to
19 access training.

20 (2) Consistent with the intent of the workforce investment act
21 adult and dislocated worker program provisions of the American recovery
22 and reinvestment act of 2009, the legislature intends that individuals
23 who are eligible for services under the workforce investment act adult
24 and dislocated worker programs, or are receiving or have exhausted
25 entitlement to unemployment compensation benefits be provided the
26 opportunity to enroll in training programs to prepare for a high-demand
27 occupation.

28 **Sec. 2.** RCW 50.16.010 and 2009 c 4 s 906 are each amended to read
29 as follows:

1 (1) There shall be maintained as special funds, separate and apart
2 from all public moneys or funds of this state an unemployment
3 compensation fund, an administrative contingency fund, and a federal
4 interest payment fund, which shall be administered by the commissioner
5 exclusively for the purposes of this title, and to which RCW 43.01.050
6 shall not be applicable.

7 (2)(a) The unemployment compensation fund shall consist of:

8 (i) All contributions collected under RCW 50.24.010 and payments in
9 lieu of contributions collected pursuant to the provisions of this
10 title;

11 (ii) Any property or securities acquired through the use of moneys
12 belonging to the fund;

13 (iii) All earnings of such property or securities;

14 (iv) Any moneys received from the federal unemployment account in
15 the unemployment trust fund in accordance with Title XII of the social
16 security act, as amended;

17 (v) All money recovered on official bonds for losses sustained by
18 the fund;

19 (vi) All money credited to this state's account in the unemployment
20 trust fund pursuant to section 903 of the social security act, as
21 amended;

22 (vii) All money received from the federal government as
23 reimbursement pursuant to section 204 of the federal-state extended
24 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

25 (viii) All moneys received for the fund from any other source.

26 (b) All moneys in the unemployment compensation fund shall be
27 commingled and undivided.

28 (3)(a) Except as provided in (b) of this subsection, the
29 administrative contingency fund shall consist of:

30 (i) All interest on delinquent contributions collected pursuant to
31 this title;

32 (ii) All fines and penalties collected pursuant to the provisions
33 of this title;

34 (iii) All sums recovered on official bonds for losses sustained by
35 the fund; and

36 (iv) Revenue received under RCW 50.24.014.

37 (b) All fees, fines, forfeitures, and penalties collected or

1 assessed by a district court because of the violation of this title or
2 rules adopted under this title shall be remitted as provided in chapter
3 3.62 RCW.

4 (c) (~~During the 2007-2009 biennium~~) Except as provided in (d) of
5 this subsection, moneys available in the administrative contingency
6 fund, other than money in the special account created under RCW
7 50.24.014(~~(1)(a)~~), shall be expended (~~as appropriated by the~~
8 ~~legislature for the (i) cost of the job skills or worker retraining~~
9 ~~programs at the community and technical colleges and administrative~~
10 ~~costs at the state board for community and technical colleges, and (ii)~~
11 ~~reemployment services such as business and project development~~
12 ~~assistance, local economic development capacity building, and local~~
13 ~~economic development financial assistance at the department of~~
14 ~~community, trade, and economic development, and the remaining~~
15 ~~appropriation~~) upon the direction of the commissioner, with the
16 approval of the governor, whenever it appears to him or her that such
17 expenditure is necessary solely for:

18 (i) The proper administration of this title and that insufficient
19 federal funds are available for the specific purpose to which such
20 expenditure is to be made, provided, the moneys are not substituted for
21 appropriations from federal funds which, in the absence of such moneys,
22 would be made available.

23 (ii) The proper administration of this title for which purpose
24 appropriations from federal funds have been requested but not yet
25 received, provided, the administrative contingency fund will be
26 reimbursed upon receipt of the requested federal appropriation.

27 (iii) The proper administration of this title for which compliance
28 and audit issues have been identified that establish federal claims
29 requiring the expenditure of state resources in resolution. Claims
30 must be resolved in the following priority: First priority is to
31 provide services to eligible participants within the state; second
32 priority is to provide substitute services or program support; and last
33 priority is the direct payment of funds to the federal government.

34 (d)(i) During the 2007-2009 biennium, moneys available in the
35 administrative contingency fund, other than money in the special
36 account created under RCW 50.24.014(1)(a), shall be expended as
37 appropriated by the legislature for: (A) The cost of the job skills or
38 worker retraining programs at the community and technical colleges and

1 administrative costs at the state board for community and technical
2 colleges; and (B) reemployment services such as business and project
3 development assistance, local economic development capacity building,
4 and local economic development financial assistance at the department
5 of community, trade, and economic development. The remaining
6 appropriation may be expended as specified in (c) of this subsection.

7 (ii) During fiscal year 2010, no more than five million dollars of
8 moneys available in the administrative contingency fund, other than
9 money in the special account created under RCW 50.24.014, may be
10 expended as appropriated by the legislature to create incentives for
11 education and training for individuals who are eligible for services
12 under the workforce investment act adult or dislocated worker programs,
13 or are receiving or have exhausted entitlement to unemployment
14 compensation benefits and are enrolled in a training program preparing
15 them for a high-demand occupation pursuant to sections 3 and 4 of this
16 act. The remaining appropriation may be expended as specified in (c)
17 of this subsection.

18 (4) Money in the special account created under RCW 50.24.014(1)(a)
19 may only be expended, after appropriation, for the purposes specified
20 in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
21 50.44.053, and 50.22.010.

22 NEW SECTION. Sec. 3. (1) Subject to the availability of funds
23 through March 1, 2011, funds available under section 2 of this act
24 shall be distributed by the employment security department to workforce
25 development councils as a match to American recovery and reinvestment
26 act formula funds or local workforce investment act funds that
27 workforce development councils provide specifically for the education
28 and training of eligible individuals in high-demand occupations for the
29 purposes identified in section 4(2) of this act.

30 (a) Funds used to increase capacity as described in section 4(2)(a)
31 of this act shall receive a seventy-five percent match.

32 (b) Funds used to provide student financial aid described in
33 section 4(2)(b) of this act shall receive a twenty-five percent match.

34 (2) The governor may direct discretionary funds made available
35 under Title VIII of division A of the American recovery and
36 reinvestment act of 2009 (P.L. 111-5) to be used for the purposes of
37 this section.

1 (3) Funds available for the purposes identified in section 4(2) of
2 this act but not distributed under subsection (1) of this section shall
3 be allocated to the state board for community and technical colleges
4 March 1, 2011. The board shall only use the funds to increase capacity
5 as described in section 4(2)(a) of this act. The board shall report to
6 the employment security department on the use of these funds.

7 (4) The employment security department, in cooperation with the
8 workforce training and education coordinating board and the state board
9 for community and technical colleges, shall develop a set of guidelines
10 on allowable uses for the incentive funds made available under this
11 section. These guidelines shall emphasize training programs that
12 expand the skills for Washington workers in order to obtain and retain
13 jobs in high-demand industries such as those referenced in the American
14 recovery and reinvestment act of 2009.

15 (5) This section expires July 1, 2011.

16 NEW SECTION. **Sec. 4.** (1) Consistent with the intent of the
17 workforce investment act adult and dislocated worker program provisions
18 of the American recovery and reinvestment act of 2009, the employment
19 security department shall encourage an increase in education and
20 training through grants and local plan modifications with workforce
21 development councils. The department shall encourage workforce
22 development councils to collaborate with other local recipients of
23 American recovery and reinvestment act funding for the purposes of
24 increasing training and supporting individuals who receive training.
25 The department shall also require workforce development councils to
26 determine the number of participants who will receive education and
27 training in high-demand industries. The department shall require the
28 workforce development councils to report on these efforts to accomplish
29 the tasks described in this subsection.

30 (2) The employment security department shall use funds as described
31 in section 3 of this act to encourage workforce development councils to
32 use American recovery and reinvestment act and workforce investment act
33 adult and dislocated worker formula resources for the following
34 education and training purposes:

35 (a) To provide enrollment support or enter into contracts with the
36 community and technical college system to increase capacity for

1 training eligible individuals for high-demand occupations in programs
2 on the eligible training provider list or new programs; and

3 (b) For the provision of individual training accounts that provide
4 financial aid for eligible students training for high-demand
5 occupations in programs on the eligible training provider list.

6 (3) American recovery and reinvestment act formula funds described
7 in this section may not be used to replace or supplant any existing
8 enrollments, programs, support services, or funding sources.

9 (4) The employment security department, in its role as fiscal agent
10 for workforce funds available under the American recovery and
11 reinvestment act, shall monitor and report to the governor on the use
12 of these funds and identify specific actions that the governor or the
13 legislature may take to ensure the state and local workforce
14 development councils are effectively meeting the intent of this act.
15 This shall include such reports as required by the American recovery
16 and reinvestment act of 2009 and the governor.

17 (5) This section expires July 1, 2011.

18 NEW SECTION. **Sec. 5.** The employment security department, in
19 collaboration with the workforce training and education coordinating
20 board, workforce development councils, and the state board for
21 community and technical colleges, shall submit a report to the governor
22 and to the appropriate committees of the legislature by December 1,
23 2010. The report shall describe the implementation of this act, and
24 shall include the following:

- 25 (1) The amounts of expenditures on education and training;
- 26 (2) The number of students receiving training;
- 27 (3) The types of training received by the students;
- 28 (4) Training completion and employment rates;
- 29 (5) Comparisons of preprogram and postprogram wage levels;
- 30 (6) Student demographics and institution/program demographics;
- 31 (7) Efforts made to ensure training was provided in areas that
32 would lead to employment;
- 33 (8) Efforts to develop capacity in occupations that are of
34 particularly high demand; and
- 35 (9) Specific enhancements made in the workforce system to ensure
36 additional training in high-demand occupations is accessible to low-
37 income and dislocated workers.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 50.22 RCW
2 to read as follows:

3 The employment security department shall periodically bring
4 together representatives of the workforce training and education
5 coordinating board, workforce development councils, the state board for
6 community and technical colleges, business, labor, and the legislature
7 to review development and implementation of chapter . . . , Laws of 2009
8 (this act) and related programs under this chapter.

9 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and takes effect
12 immediately."

13 Correct the title.

EFFECT: Strikes the underlying bill and adds new text as follows:
Legislative Intent

1. Expresses the Legislature's intent that certain individuals have the opportunity to enroll in training for high-demand occupations. These individuals are ones who are eligible for services under the WIA Adult and Dislocated Worker programs, or who are receiving or have exhausted entitlement to unemployment compensation benefits.

Education and Training in High-Demand Occupations

2. Requires the Employment Security Department (ESD) to distribute certain funds as a match for other funds provided by workforce development councils. If used to increase capacity, the match is 75 percent. If used to provide student financial aid, the match is 25 percent.

3. Requires that funds not distributed to workforce development councils be distributed to the State Board for Community and Technical Colleges (SBCTC) on March 1, 2011, and that the SBCTC use the funds to increase capacity.

4. Requires the ESD to develop guidelines on allowable uses of the funds. Specifies that the guidelines be developed in cooperation with the Workforce Training and Education Coordinating Board (WTECB) and the SBCTC.

5. Specifies that, during FY 2010, no more than \$5 million in the Administrative Contingency Fund may be expended as appropriated to create incentives for education and training. Also specifies that the Governor may direct certain discretionary funds for these purposes.

6. Requires the ESD to:

Encourage an increase in education and training through grants and local plan modifications with workforce development councils;

Encourage workforce development councils to collaborate with other recipients of funding, and to use certain resources to increase capacity and provide individual training accounts; and

Require workforce development councils to determine the number of participants who will receive education and training, and to report on their efforts.

7. Specifies that certain federal funds may not be used to replace or supplant existing enrollments, programs, support services, or funding sources. Requires the ESD to monitor and report to the Governor on the use of the funds.

Other Requirements

8. Requires the ESD to submit a report on implementation of these provisions to the Governor and appropriate committees of the Legislature by December 1, 2010. Specifies that the report be prepared in collaboration with the WTECB, the SBCTC, and the workforce development councils.

9. Requires the ESD to periodically bring together representatives of the WTECB, the SBCTC, workforce development councils, business, labor, and the Legislature to review development and implementation of these provisions and the training benefits program.

Effective Date

10. Declares an emergency and establishes an immediate effective date.

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