

**E2SSB 5809** - H AMD 881

By Representative Conway

WITHDRAWN 04/24/2009

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 seven million dollars  
8 of 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 4 and 5 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 **Sec. 3.** RCW 50.24.014 and 2007 c 327 s 2 are each amended to read  
23 as follows:

24 (1)(a) A separate and identifiable account to provide for the  
25 financing of special programs to assist the unemployed is established  
26 in the administrative contingency fund. All money in this account  
27 shall be expended solely for the purposes of this title and for no  
28 other purposes whatsoever. Contributions to this account shall accrue  
29 and become payable by each employer, except employers as described in  
30 RCW 50.44.010 and 50.44.030 who have properly elected to make payments  
31 in lieu of contributions, taxable local government employers as  
32 described in RCW 50.44.035, and those employers who are required to  
33 make payments in lieu of contributions, at a basic rate of two one-  
34 hundredths of one percent. The amount of wages subject to tax shall be  
35 determined under RCW 50.24.010.

36 (b) A separate and identifiable account is established in the  
37 administrative contingency fund for financing the employment security

1 department's administrative costs under RCW 50.22.150 and section 4,  
2 chapter 3, Laws of 2009 and the costs under RCW 50.22.150(~~(+10)~~) (11)  
3 and section 4(14), chapter 3, Laws of 2009. All money in this account  
4 shall be expended solely for the purposes of this title and for no  
5 other purposes whatsoever. Contributions to this account shall accrue  
6 and become payable by each employer, except employers as described in  
7 RCW 50.44.010 and 50.44.030 who have properly elected to make payments  
8 in lieu of contributions, taxable local government employers as  
9 described in RCW 50.44.035, those employers who are required to make  
10 payments in lieu of contributions, those employers described under RCW  
11 50.29.025(1)(f)(ii), and those qualified employers assigned rate class  
12 20 or rate class 40, as applicable, under RCW 50.29.025, at a basic  
13 rate of one one-hundredth of one percent. The amount of wages subject  
14 to tax shall be determined under RCW 50.24.010. Any amount of  
15 contributions payable under this subsection (1)(b) that exceeds the  
16 amount that would have been collected at a rate of four one-thousandths  
17 of one percent must be deposited in the account created in (a) of this  
18 subsection.

19 (2)(a) Contributions under this section shall become due and be  
20 paid by each employer under rules as the commissioner may prescribe,  
21 and shall not be deducted, in whole or in part, from the remuneration  
22 of individuals in the employ of the employer. Any deduction in  
23 violation of this section is unlawful.

24 (b) In the payment of any contributions under this section, a  
25 fractional part of a cent shall be disregarded unless it amounts to  
26 one-half cent or more, in which case it shall be increased to one cent.

27 (3) If the commissioner determines that federal funding has been  
28 increased to provide financing for the services specified in chapter  
29 50.62 RCW, the commissioner shall direct that collection of  
30 contributions under this section be terminated on the following January  
31 1st.

32 NEW SECTION. **Sec. 4.** (1) Subject to the availability of funds  
33 through March 1, 2011, funds available under section 2 of this act  
34 shall be distributed by the employment security department to workforce  
35 development councils as a match to American recovery and reinvestment  
36 act formula funds or local workforce investment act funds that  
37 workforce development councils provide specifically for the education

1 and training of eligible individuals in high-demand occupations for the  
2 purposes identified in section 6(2) of this act. The education and  
3 training of eligible individuals in occupations in the aerospace,  
4 energy efficiency, forest product, and health care industries shall be  
5 given priority, so long as the priority is consistent with federal law.

6 (a) Funds used to increase capacity as described in section 6(2)(a)  
7 of this act shall receive a seventy-five percent match.

8 (b) Funds used to provide student financial aid described in  
9 section 6(2)(b) of this act shall receive a twenty-five percent match.

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

16 (3) The employment security department, in cooperation with the  
17 workforce training and education coordinating board and the state board  
18 for community and technical colleges, shall develop a set of guidelines  
19 on allowable uses for the incentive funds made available under this  
20 section. These guidelines shall emphasize training programs that  
21 expand the skills for Washington workers in order to obtain and retain  
22 jobs in high-demand industries such as those referenced in the American  
23 recovery and reinvestment act of 2009.

24 (4) This section expires July 1, 2011.

25 NEW SECTION. **Sec. 5.** The governor shall direct ten percent of  
26 statewide funds made available for activities under the workforce  
27 investment act in Title VIII of division A of the American recovery and  
28 reinvestment act of 2009 (P.L. 111-5) to be used for the purposes of  
29 section 4 of this act.

30 NEW SECTION. **Sec. 6.** (1) Consistent with the intent of the  
31 workforce investment act adult and dislocated worker program provisions  
32 of the American recovery and reinvestment act of 2009, the employment  
33 security department shall encourage an increase in education and  
34 training through grants and local plan modifications with workforce  
35 development councils. The department shall encourage workforce  
36 development councils to collaborate with other local recipients of

1 American recovery and reinvestment act funding for the purposes of  
2 increasing training and supporting individuals who receive training.  
3 The department shall also require workforce development councils to  
4 determine the number of participants who will receive education and  
5 training in high-demand industries. The department shall require the  
6 workforce development councils to report on these efforts to accomplish  
7 the tasks described in this subsection.

8 (2) The employment security department shall use funds as described  
9 in section 4 of this act to encourage workforce development councils to  
10 use American recovery and reinvestment act and workforce investment act  
11 adult and dislocated worker formula resources for the following  
12 education and training purposes:

13 (a) To provide enrollment support or enter into contracts with the  
14 community and technical college system to increase capacity for  
15 training eligible individuals for high-demand and other occupations  
16 listed in section 4(1) of this act in programs on the eligible training  
17 provider list or new programs; and

18 (b) For the provision of individual training accounts that provide  
19 financial aid for eligible students training for high-demand and other  
20 occupations listed in section 4(1) of this act in programs on the  
21 eligible training provider list.

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

25 (4) The employment security department, in its role as fiscal agent  
26 for workforce funds available under the American recovery and  
27 reinvestment act, shall monitor and report to the governor on the use  
28 of these funds and identify specific actions that the governor or the  
29 legislature may take to ensure the state and local workforce  
30 development councils are effectively meeting the intent of this act.  
31 This shall include such reports as required by the American recovery  
32 and reinvestment act of 2009 and the governor.

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

34 NEW SECTION. **Sec. 7.** The employment security department, in  
35 collaboration with the workforce training and education coordinating  
36 board, workforce development councils, and the state board for  
37 community and technical colleges, shall submit a report to the governor

1 and to the appropriate committees of the legislature by December 1,  
2 2010. The report shall describe the implementation of this act, and  
3 shall include the following:

- 4 (1) The amounts of expenditures on education and training;
- 5 (2) The number of students receiving training;
- 6 (3) The types of training received by the students;
- 7 (4) Training completion and employment rates;
- 8 (5) Comparisons of preprogram and postprogram wage levels;
- 9 (6) Student demographics and institution/program demographics;
- 10 (7) Efforts made to ensure training was provided in areas that  
11 would lead to employment;
- 12 (8) Efforts to develop capacity in occupations that are of  
13 particularly high demand; and
- 14 (9) Specific enhancements made in the workforce system to ensure  
15 additional training in high-demand occupations is accessible to low-  
16 income and dislocated workers.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 50.22 RCW  
18 to read as follows:

19 The employment security department shall periodically bring  
20 together representatives of the workforce training and education  
21 coordinating board, workforce development councils, the state board for  
22 community and technical colleges, business, labor, and the legislature  
23 to review development and implementation of chapter . . . , Laws of 2009  
24 (this act) and related programs under this chapter.

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

29 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 for education and training in high-demand occupations. Gives priority to education and training in occupations in the aerospace, energy efficiency, forest product, and health care industries, so long as the priority is consistent with federal law.

3. Specifies that, if used to increase capacity, the match is 75 percent. If used to provide student financial aid, the match is 25 percent.

4. 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.

5. 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.

6. Specifies that, during FY 2010, no more than \$7 million in the Administrative Contingency Fund may be expended as appropriated to create incentives for education and training. Also requires the Governor to direct certain funds for these purposes.

7. Requires the ESD to:

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

b. 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

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

8. 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

9. 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.

10. 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.

11. Makes a housekeeping change to provide that a particular account is for administrative and other costs of the training benefit program.

#### Effective Date

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

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