

E2SSB 5809 - H COMM AMD

By Committee on Commerce & Labor

ADOPTED AND ENGROSSED 4/14/09

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 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

1 workforce development councils provide specifically for the education
2 and training of eligible individuals in high-demand occupations for the
3 purposes identified in section 5(2) of this act.

4 (a) Funds used to increase capacity as described in section 5(2)(a)
5 of this act shall receive a seventy-five percent match.

6 (b) Funds used to provide student financial aid described in
7 section 5(2)(b) of this act shall receive a twenty-five percent match.

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

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

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

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

27 NEW SECTION. **Sec. 5.** (1) Consistent with the intent of the
28 workforce investment act adult and dislocated worker program provisions
29 of the American recovery and reinvestment act of 2009, the employment
30 security department shall encourage an increase in education and
31 training through grants and local plan modifications with workforce
32 development councils. The department shall encourage workforce
33 development councils to collaborate with other local recipients of
34 American recovery and reinvestment act funding for the purposes of
35 increasing training and supporting individuals who receive training.
36 The department shall also require workforce development councils to
37 determine the number of participants who will receive education and

1 training in high-demand industries. The department shall require the
2 workforce development councils to report on these efforts to accomplish
3 the tasks described in this subsection.

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

9 (a) To provide enrollment support or enter into contracts with the
10 community and technical college system to increase capacity for
11 training eligible individuals for high-demand occupations in programs
12 on the eligible training provider list or new programs; and

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

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

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

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

28 NEW SECTION. **Sec. 6.** The employment security department, in
29 collaboration with the workforce training and education coordinating
30 board, workforce development councils, and the state board for
31 community and technical colleges, shall submit a report to the governor
32 and to the appropriate committees of the legislature by December 1,
33 2010. The report shall describe the implementation of this act, and
34 shall include the following:

35 (1) The amounts of expenditures on education and training;

36 (2) The number of students receiving training;

37 (3) The types of training received by the students;

- 1 (4) Training completion and employment rates;
2 (5) Comparisons of preprogram and postprogram wage levels;
3 (6) Student demographics and institution/program demographics;
4 (7) Efforts made to ensure training was provided in areas that
5 would lead to employment;
6 (8) Efforts to develop capacity in occupations that are of
7 particularly high demand; and
8 (9) Specific enhancements made in the workforce system to ensure
9 additional training in high-demand occupations is accessible to low-
10 income and dislocated workers.

11 NEW SECTION. **Sec. 7.** A new section is added to chapter 50.22 RCW
12 to read as follows:

13 The employment security department shall periodically bring
14 together representatives of the workforce training and education
15 coordinating board, workforce development councils, the state board for
16 community and technical colleges, business, labor, and the legislature
17 to review development and implementation of chapter . . . , Laws of 2009
18 (this act) and related programs under this chapter.

19 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and takes effect
22 immediately."

23 Correct the title.

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