

SENATE BILL REPORT

SB 5616

As of January 27, 2009

Title: An act relating to connecting business expansion and recruitment to customized training.

Brief Description: Connecting business expansion and recruitment to customized training.

Sponsors: Senators Shin, Kastama and Kilmer.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/28/09.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Jack Brummel (786-7428)

Background: The Washington Customized Employment Workforce Training Program (the program) was created in 2006 for employers locating or expanding in the state. The State Board for Community and Technical Colleges (SBCTC) administers the program. Training allowances are awarded to employers who have entered into training agreements with colleges in the state. Preference in granting training allowances is given to employers with fewer than 50 employees.

The Employment Training Finance Account (the account) was funded for SBCTC to provide training allowances. At the completion of training, employers are required to pay one-quarter of the cost of the training into the account. The additional three-quarters of the cost are to be paid into the account over the following 18 months. A business and occupation tax credit is provided to employers for half of the amount that they pay into the account for employee training.

Employers are expected to increase their employment in the state by an amount equal to at least 75 percent of the trainees in their training program. If this goal is not met, the employer is expected to make additional payments to the account.

The program expires on July 1, 2012.

Summary of Bill: During 2009 and 2010, employers participating in the program may delay payments to the account. The expectation that participants will increase employment in the state by an amount equal to at least 75 percent of the trainees is changed to a requirement that

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.

participants must make good faith efforts to hire from trainees in the participant's training program. Colleges must make good faith efforts to use trainers preferred by participants.

During 2009 and 2010, employers qualified for the Job Skills Program may participate in the program if Job Skills funds have been exhausted. A cap of \$2 million for this purpose applies in 2009 and a cap of \$1.5 million applies in 2010.

Up to \$75,000 per year from the account may be used by SBCTC for training, marketing, and facilitation services to increase the use of the program.

Appropriation: None.

Fiscal Note: Requested on January 27, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.