

# SENATE BILL REPORT

## SB 6600

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As of February 2, 2010

**Title:** An act relating to funding and providing workforce training grants.

**Brief Description:** Funding and providing workforce training grants.

**Sponsors:** Senators Hargrove, Kohl-Welles, Hatfield and Keiser.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 2/02/10.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Mac Nicholson (786-7445)

**Background:** The training benefits program at the Employment Security Department (ESD) was established in 2000, and expanded in 2009. The program allows certain unemployed dislocated, disabled, or low-wage workers and military personnel to receive additional unemployment benefits while in retraining.

The worker retraining program at the State Board for Community and Technical Colleges (SBCTC) was established in 1993 and serves dislocated and unemployed workers. Worker retraining funding is used to expand capacity at community and technical colleges, and schools must focus their worker retraining programs on high employer demand professional-technical education and training.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** For rate year 2010, ESD is directed to divert 0.12 percent from the social cost factor rate of each employer into a separate account for the financing of workforce training grants. The diverted tax rate must be reduced so that the social cost factor rate is not less than zero. The diverted tax must be collected on a single line with other rates so that employers are not required to make a separate tax calculation. If the amount of the diversion exceeds \$49 million after deductions related to the administration of contribution to the account, any excess must be transferred to the unemployment trust fund.

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For rate years 2011 and 2012, ESD must calculate the social tax as if the total amount diverted from the trust fund in 2010 pursuant to the legislation had been placed in the unemployment trust fund.

Workforce training grants are available to eligible colleges to serve individuals who are eligible for or have exhausted their entitlement to UI benefits and are enrolled in a high demand training program. The SBCTC must identify high demand training programs consistent with workforce training priorities and based upon the comprehensive plan developed by the Workforce Training and Education Coordinating Board.

ESD must disburse funds for grants to the SBCTC, who in turn must review proposals submitted by eligible colleges and award grants through a competitive process. Preference is given to proposals emphasizing health care, aerospace, forestry industry, and energy efficiency.

Grants can be used for expenses related to educational and career counseling services; increased capacity at community and technical colleges; financial aid for eligible students; and job development and referral services. Grants cannot be used to supplant existing enrollments, programs, support services, or funding sources.

**Appropriation:** None.

**Fiscal Note:** Requested on February 1, 2010.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.