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## Community Development & Housing Committee

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### HB 1601

**Brief Description:** Enacting the middle class jobs act.

**Sponsors:** Representatives Probst, Kenney, Green, Moscoso, Hasegawa, Moeller, Reykdal, Appleton, Jacks, Cody, Ormsby, Sells, Lias, Ryu, Stanford, McCoy, Upthegrove, Sullivan, Ladenburg, Kagi, Rolfes, Springer, Van De Wege, Santos, Takko, Haigh, Orwall, Tharinger and Billig.

#### Brief Summary of Bill

- Requires eight state agencies to adopt the goal of increasing the percentage of households in the middle-income bracket, and to develop and submit strategies for reaching this goal to the Workforce Training and Education Coordinating Board (WTECB) and the Office of Financial Management.
- Requires Workforce Development Councils to develop and submit a comprehensive area plan with strategies to increase the percentage of households living in the middle-income bracket to the WTECB.
- Requires the WTECB to incorporate the area plans into the state comprehensive plan, and review and rate agency submissions.

**Hearing Date:** 2/3/11

**Staff:** Jennifer Thornton (786-7147).

#### Background:

*The Department of Commerce* was created in 2009 as a successor agency to the Department of Community, Trade and Economic Development. Its adopted mission is to grow and improve jobs in Washington.

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*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.*

*The Department of Revenue* is Washington's principal tax collection agency, and oversees approximately 60 different taxes.

*The Department of Social and Health Services (DSHS)* integrates and coordinates activities that provide care for individuals who require financial assistance, institutional care, rehabilitation, or other social services.

*The Employment Security Department (ESD)* administers unemployment compensation and employment services, and develops, administers, and disseminates state labor market information.

*The Labor Relations Office*, operating under the administrative arm of the Office of Financial Management, manages the collective bargaining process on behalf of the Governor with union-represented state employees.

*The Office of Superintendent of Public Instruction (OSPI)* is the primary agency charged with overseeing the state's K-12 education system.

*The State Board for Community and Technical Colleges (SBCTC)* provides leadership and coordination for the state's system of 34 community and technical colleges. These institutions offer academic transfer courses, professional-technical education and training, and adult basic skills and literacy education.

*The Washington State Apprenticeship and Training Council* appointed by the Director of the Department of Labor and Industries approves apprenticeship programs and establishes apprenticeship program standards.

*Workforce Development Councils (WDCs)* are 12 regional organizations that provide workforce development planning and coordination between education, training, and employment efforts in their areas. They were formed under the federal Workforce Investment Act of 1998, Public Law 105-220.

*The Workforce Training and Education Coordinating Board (WTECB)* is responsible for planning, coordination, evaluation, policy analysis, and recommending improvements to the state's training system. The WTECB is required to develop a 10-year state comprehensive plan for workforce training and education.

*Federal Poverty Guidelines* are issued each year by the federal Department of Health and Human Services and used for administrative purposes, such as determining financial eligibility for certain federal programs. The guidelines are based on family size.

<b>The 2010 Poverty Guidelines for the 48 Contiguous States and the District of Columbia</b>	
<b>Persons in family</b>	<b>Poverty guideline</b>
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010
For families with more than 8 persons, add \$3,740 for each additional person.	

**Summary of Bill:**

This act is named the "Middle Class Jobs Act of 2011."

The Legislature finds that in 1979, 51 percent of people were living in middle-income families compared with 42 percent in 2007, and that the current economic situation has likely worsened the decline. The Legislature intends to: (1) require state agencies to coordinate their work towards achieving measurable results that move individuals from dependence into livable wage jobs; and (2) begin an increase in the percentage of Washington households living in the middle-income bracket or above.

The SBCTC, the OSPI, Department of Commerce, the ESD, the DSHS, Department of Revenue, Washington State Apprenticeship and Training Council, and Office of Financial Management's (OFM) Labor Relations Office are each required to adopt the goal of increasing the percentage of Washington households living in the middle-income bracket. Each agency must include in its existing planning documents specific strategies related to its mission and programs to reach this goal. Each agency, with the exception of the OFM, must submit its specific strategies to the WTECB and the OFM as their planning documents are updated. The OFM must submit its strategies to the WTECB.

The WDCs are each required to develop 10-year area comprehensive plans for workforce training and education. The plans must be submitted to the WTECB, and every four years, beginning on July 1, 2012, the WDCs must submit plan updates. The WTECB must incorporate information from the area plans into the state comprehensive plan. The area and state plans must include specific strategies to increase the percentage of households living in the middle-income bracket or above.

The WTECB is required to review agency submissions, rate the strategies according to criteria it adopts, and report the ratings to the Legislature annually. The ratings must be developed at the same time as progress reports on the state comprehensive plan for workforce training and education.

The OFM may review state contracting procedures for compliance with the goal of increasing the percentage of Washington households living in the middle income bracket or higher.

The OFM, in partnership with the WTECB, is required to annually estimate the percentage of Washington residents with incomes in the middle-income bracket or higher. The findings must be reported to the Governor and the Legislature.

"Middle-income bracket" is defined as family incomes between 200 and 500 percent of the 2010 federal poverty level, as determined by the United States Department of Health and Human Services for a family of four, adjusted annually for inflation. This definition does not preclude agencies and programs from using other measures for programmatic purposes.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/31/2011.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.