

HOUSE BILL REPORT

2SHB 2156

As Passed Legislature

Title: An act relating to the coordination and evaluation of workforce training for aerospace and materials manufacturing.

Brief Description: Regarding workforce training for aerospace and materials manufacturing.

Sponsors: House Committee on Education Appropriations & Oversight (originally sponsored by Representatives Kenney, Sells, Haler, Seaquist, Hansen, Maxwell and Carlyle; by request of Governor Gregoire).

Brief History:

Committee Activity:

Labor & Workforce Development: 1/24/12, 1/27/12 [DPS];

Education Appropriations & Oversight: 2/1/12, 2/2/12 [DP2S(w/o sub LWD)].

Floor Activity:

Passed House: 2/13/12, 94-3.

Senate Amended.

Passed Senate: 3/1/12, 48-0.

Passed House: 3/3/12, 94-1.

Passed Legislature.

Brief Summary of Second Substitute Bill

- Requires the State Board for Community and Technical Colleges, with certain training providers, to facilitate coordination and alignment of aerospace training programs.
- Requires an advisory committee of industry representatives, labor representatives, and training providers to perform certain duties, such as recommending training programs for review.
- Requires the Workforce Training and Education Coordinating Board to evaluate certain training programs every year and analyze the results of the training system every four years.
- Makes the Aerospace Training Student Loan Program available to students enrolled in aerospace industry courses offered by Renton Technical College.

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.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Sells, Chair; Reykdal, Vice Chair; Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Green, Kenney, Miloscia, Moeller, Ormsby, Roberts, Taylor and Warnick.

Staff: Jill Reinmuth (786-7134).

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS & OVERSIGHT

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Labor & Workforce Development. Signed by 18 members: Representatives Haigh, Chair; Probst, Vice Chair; Anderson, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Fagan, Assistant Ranking Minority Member; Dahlquist, Hansen, Hargrove, Hope, Maxwell, Nealey, Orwall, Pollet, Reykdal, Santos, Seaquist, Sells and Short.

Staff: Trista Zugel (786-7157).

Background:

Aerospace is Washington's largest manufacturing industry. Its primary focus is aircraft and parts manufacturing. According to the Aerospace Competitiveness Study (Competitiveness Study) commissioned by the Washington Aerospace Partnership in 2011, the state's aerospace industry includes about 150 aerospace firms that employ nearly 90,000 workers. (Roughly 650 other firms employ several thousand more workers in companies that serve the aerospace industry.)

The Competitiveness Study cited the high productivity and knowledge of Washington's workforce as a key advantage, but also recommended that the state's post-high school aerospace certification and apprenticeship programs be strengthened to accelerate the state's production of skilled manufacturing workers. A goal of the Washington Council on Aerospace is to continue to identify ways to help increase the coordination, articulation, and growth of aerospace training programs statewide.

The State Board for Community and Technical Colleges (College Board) has general supervision and control over the state system of community and technical colleges. In addition to other powers and duties, the College Board ensures that each college district offers comprehensive educational, training, and service programs to meet the needs of communities and students through academic transfer courses; occupational education courses; and adult education. Thirty-four of the colleges offer workforce training in aerospace-related fields.

The Center of Excellence for Aerospace and Advanced Materials Manufacturing serves as a liaison between the aerospace industry and the training system. Air Washington, a consortium of community colleges and other training providers, recently received a \$20

million grant from the federal Department of Labor to develop and implement education, training, and services to meet Washington's workforce demands, as identified by employers in the aerospace industry.

The Workforce Training and Education Coordinating Board provides planning, coordination, evaluation, monitoring, and policy analysis for the state training system as a whole, and advises the Governor and the Legislature concerning the state training system.

The Aerospace Training Student Loan Program makes loans available to eligible students enrolled in courses offered by the Washington Aerospace Training and Research Center (WATR Center) and the Spokane Aerospace Technology Center (SAT Center). The WATR Center offers courses through partnerships with Edmonds Community College and Renton Technical College. The loan program is administered by the Higher Education Coordinating Board. Legislation enacted in 2011 replaced the Higher Education Coordinating Board for higher education financial aid responsibilities with the Office of Student Financial Assistance as of July 1, 2012.

Summary of Second Substitute Bill:

The Legislature expresses intent to improve coordination of the training system to provide better alignment with industry needs and to keep pace with a rapidly changing economy. The Legislature also expresses its intent to increase aerospace skills development and education and training programs, and help increase jobs for Washington's citizens. These following requirements are subject to the availability of amounts appropriated for these specific purposes.

The State Board for Community and Technical Colleges (College Board) is required to facilitate coordination and alignment of aerospace training programs to the maximum extent possible. In doing so, the College Board is required to collaborate with certain long-term training providers, short-term training providers, and apprenticeship program providers. Coordination and alignment must include, but is not limited to, the following:

- providing information about aerospace training programs;
- providing information about grants and partnership opportunities;
- providing coordination for professional development for faculty and other education and training providers;
- evaluating certain programs annually for completion and job placement results; and
- making budget recommendations to the Governor and the Legislature on aerospace training programs.

The College Board is also required to establish the Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee (Advisory Committee). This Advisory Committee must consist of 11 to 15 members. A majority of members, including the chair, must represent industry. At least two members must represent labor. Other members must be education and training providers, including directors of long-term training, short-term training, and apprenticeship programs.

The Advisory Committee is required to:

- provide direction for a skills gap analysis produced with the Workforce Training and Education Coordinating Board (Workforce Board) using data developed through the Education Data Center, and consistent with the joint assessment of higher education and training credentials required to match employer demand;
- establish goals for students served, program completion rates, and employment rates;
- coordinate and disseminate industry advice for training programs; and
- recommend training programs for review by the Workforce Board in coordination with the College Board.

The Workforce Board, with the College Board, is required to evaluate training programs recommended for review by September 1, 2012, and every year thereafter. These evaluations must include outcome results for employers and persons receiving training. The Workforce Board is also required to conduct and complete analyses of the training system, including net impacts, cost-benefit analyses, and outcome results by September 1, 2016, and every four years thereafter.

The Aerospace Training Student Loan Program is made available to students enrolled in aerospace industry courses offered by Renton Technical College. References to the Higher Education Coordinating Board are replaced with references to the Office of Student Financial Assistance.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 4 through 8, relating to the Aerospace Training Student Loan Program, which take effect July 1, 2012.

Staff Summary of Public Testimony (Labor & Workforce Development):

(In support) A skilled workforce is essential for the aerospace industry to be competitive in the global economy. This bill addresses that by expressing legislative intent to increase skills development and education and training programs, and also to increase jobs for Washington's citizens. It makes clear that keeping aerospace in Washington is critical.

This bill is part of the long-term vision for aerospace in Washington. The state has a very strong training system, as evidenced by the recent \$20 million grant through the federal Department of Labor for Air Washington. The skilled workforce is what keeps us at the top. The state needs to be forward-thinking to maintain its position.

This bill requires increased coordination and partnership. This will help define the needed skills, provide the necessary data, build the training curriculum, and improve training quality. It ensures that training programs are aligned with industry needs. It is a way to maintain a laser-like focus on the industry and its training needs.

There has been work with stakeholders on the advisory committee and the data collection, and that work will continue if necessary.

The Workforce Training and Education Coordinating Board (Workforce Board) is ready to work with the training programs and to evaluate their results. This type of information is available on the Workforce Board's Career Bridge website, and this will give a special emphasis to aerospace-related programs.

(Opposed) None.

Staff Summary of Public Testimony (Education Appropriations & Oversight):

(In support) Aerospace and advanced materials manufacturing is critical to Washington's citizens and its industry. This strength was recognized by a recent grant from the federal Department of Labor. The coordination that this bill provides for is critical to the continued success for both Boeing and its suppliers. Increased coordination is required and will help improve training quality and program accountability. In sum, this will help demonstrate that our training system is truly one of our state's resources.

(Opposed) None.

Persons Testifying (Labor & Workforce Development): Representative Kenney, prime sponsor; Tim Sweeney, Workforce Training and Education Coordinating Board; and Heidi Hughes and Peter Bogdanoff, Governor's Executive Policy Office.

Persons Testifying (Education Appropriations & Oversight): Leslie Goldstein, Governor's Executive Policy Office.

Persons Signed In To Testify But Not Testifying (Labor & Workforce Development):
None.

Persons Signed In To Testify But Not Testifying (Education Appropriations & Oversight):
None.