

HOUSE BILL REPORT

ESB 6141

As Passed House:
February 27, 2012

Title: An act relating to a lifelong learning program.

Brief Description: Creating a lifelong learning program.

Sponsors: Senators Kilmer, Tom, Shin, Kastama, Ericksen, Chase and Frockt.

Brief History:

Committee Activity:

Labor & Workforce Development: 2/15/12, 2/21/12 [DP].

Floor Activity:

Passed House: 2/27/12, 55-41.

Brief Summary of Engrossed Bill

- Establishes a lifelong learning program for employees, with the support of their employers, to create educational savings accounts.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Kenney, Miloscia, Moeller, Ormsby and Roberts.

Minority Report: Do not pass. Signed by 4 members: Representatives Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Taylor and Warnick.

Staff: Jill Reinmuth (786-7134).

Background:

Lifelong learning accounts (LiLAs) are worker-owned, employer-matched portable accounts to finance an individual worker's lifelong education and training.

In 2001 the nonprofit Council for Adult and Experiential Learning (CAEL) developed a model for establishing LiLAs. In this model, LiLAs are employer-sponsored as part of an

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employee compensation package, and every worker is eligible for an account. The LiLAs supplement, not replace, existing employer-supported tuition-assistance programs. Participation by individuals and employers is optional. The LiLAs are funded by the individual worker, the employer, and, in some cases, third-party matches from sources such as foundations, public sector grants, or tax credits. Accounts stay with the individual worker regardless of the person's current employer or employment status, and may be used for tuition and fees, assessment fees, supplies, materials, and books. The individual worker chooses the training and education needed to meet career goals based on a learning plan developed with the help of qualified advisors. The LiLAs are designed particularly to help address postsecondary educational access and financing for lower-skilled, lower-wage, and entry-level incumbent employees who may not be eligible for student financial aid or employer-provided tuition.

In 2008 the Workforce Training and Education Coordinating Board was awarded a \$75,000 grant from the Lumina Foundation through the CAEL for "Taking It to the States: A State-Based Lifelong Learning Account Demonstration Initiative." The grant funds, together with other funds, were used to develop a program structure and management system for an initial regional LiLA pilot. The five-county Pacific Mountain region (Thurston, Mason, Lewis, Pacific, and Grays Harbor) was the selected demonstration area. Six employers and 25 employees participated in the LiLA demonstration project.

Summary of Bill:

The Legislature intends to address certain challenges related to providing low-skilled workers with postsecondary education and training through the establishment of a lifelong learning program. The Legislature also intends that employer and employee participation in the lifelong learning program is voluntary. Finally, the Legislature intends to develop partnerships and mechanisms through which:

- workers invest their own funds in their training and education;
- employers invest in their workers' lifelong learning accounts (LiLAs);
- educational and training institutions promote the establishment of LiLAs;
- state and local governments provide infrastructure, incentives, and support for investments in LiLAs; and
- financial institutions and nonprofit organizations provide support to establish pilot projects, foster program development, and assist in impact evaluation.

"Lifelong learning accounts" are defined as joint savings accounts established by employees and employers to support the education and training of employees aligned with approved career development plans.

A lifelong learning program is established within the Workforce Training and Education Coordinating Board (Board) to provide the opportunity for employees, with the support of their employers, to create an educational savings account that may be used for education and training.

The Board may:

- partner with financial institutions and other organizations to enable low-wage workers to attain high-skilled and high-wage jobs;
- work with financial institutions to encourage their engagement in managing LiLAs, providing financial literacy and career counseling, and aligning other activities; and
- develop program policies and system options that will lead the program to become self-sustaining.

The Board must work with its partners to:

- establish the program's policies, rules, and procedures;
- ensure the program is marketed to various geographic areas, industry sectors, low-wage workers, employers, and communities; and
- help partners coordinate new services with existing ones, including the WorkSource system.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The importance of a skilled and educated workforce is well-known and accepted, but the importance of training those already in the workforce is not. The number of people in the workforce without postsecondary training is equal to the size of the next 10 high school graduating classes combined. To have an educated and skilled workforce, it is necessary to reach out to those who are already in the workforce who lack the requisite skills. This bill provides another tool for employers and workers to arrange and pay for training.

A few years ago, there was a pilot program on lifelong learning accounts (LiLAs) involving the Workforce Training and Education Coordinating Board (Board) and the Association of Washington Business and other partners. So far, the pilot program has proven to be a success. Employers and employees have reported a high degree of satisfaction. It is too early to say much about individuals completing training. This bill will enable the Board to expand the program statewide.

Employees and employers pay into LiLAs that travel with employees from job to job, and enable them to invest in their skills. If their job changed, they could try to up-skill themselves and maintain their employment. If they lost their jobs, they could access funding for retraining or certification to get back to work. The idea is to ensure that, if employers and employees want to do this, there are resources available to help them be successful. Participation is voluntary.

(With concerns) There is support for workers being trained, so long as the program is voluntary.

(Opposed) None.

Persons Testifying: (In support) Senator Kilmer, prime sponsor; and Bryan Wilson, Workforce Training and Education Coordinating Board.

(With concerns) Larry Stevens, Mechanical Contractors Association of Western Washington.

Persons Signed In To Testify But Not Testifying: Amber Carter, Association of Washington Business.