

SENATE BILL REPORT

SB 5324

As of February 23, 2011

Title: An act relating to extending the Washington customized employment training program.

Brief Description: Extending the Washington customized employment training program.

Sponsors: Senators Shin, Kastama, Kilmer, Nelson, Haugen, Hobbs, Sheldon, McAuliffe and Conway.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/02/11.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Kimberly Cushing (786-7421)

Background: The Washington Customized Employment Workforce Training 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 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.

The employer must make good faith efforts to hire from trainees in the training program, otherwise the employer is expected to make additional payments to the account. Colleges must make good faith efforts to use trainers preferred by employers participating in the program.

The program expires on July 1, 2012.

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.

Summary of Bill: The expiration date of the Washington Customized Employment Workforce Training Program is repealed.

Additionally, RCW 28B.67.020 is reenacted in order to correct a 2009 amendment that neglected to recognize the expiration date.

Appropriation: None.

Fiscal Note: Requested on January 24, 2011.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: We wanted to do something to prevent outsourcing Washington jobs. This program addresses that and is very successful. However, it will sunset and we would like to extend the program. To date, the program has impacted 24 different businesses, trained 767 employees, and added 569 jobs for participating companies. The program requirement for employers to make good faith efforts to hire trainees is being met. The account is revolving, employers are paying for training. It is a useful mechanism for state funds because every dollar can be used again and again. A local aerospace manufacturing company wanted to offer lean training, but the only program was out of state, so with the support of Green River Community College (GRCC) they brought the training in house. From a human resources perspective, any time a business can invest in the work force it goes a long way. The program is simplistic, yet it allows the community college to be highly responsive, agile, and nimble and is very effective. Workers gain highly valuable skills. Another benefit is the program is not tied to the fiscal year, so it is a great real world tool.

Persons Testifying: PRO: Senator Shin, prime sponsor; Carol Melby, SBCTC; Janie Pierce, Precision Machine Works; and Bob Embrey, GRCC.

Staff Summary of Public Testimony: PRO: To systems credit, they are doing a tremendous job with helping students at lower cost per student. And driving efficiencies in back office. Opportunity for efficiencies in financial aid arena, & this bill seeks to expedite this process.

Jan: Appreciate being able to work on language. Requirement to streamline financial process is part of work required under law. 16% overenrolled w/ significantly less funding. Serving a lot more students w/ a lot less money. Strong commitment to creating additional efficiencies for students. We are committed to xxx the financial aid system. Schedule is aggressive & SBCTC is on track so far. Will meet legislation with work they are doing.

Colleges have been meeting on a regional basis & statewide basis. One of the area where there is potential for efficiency is financial aid. 2 components: FAFSA & 30% are selected for verification. Verification could be more efficient on regional or state-wide basis. Students now have the opportunity to have students income information downloaded directly from IRS. This would simplify verification process. 2nd part of process involves customized financial aid package for each student. This is a high-touch process b/c most students have very little understanding of what is available & have many questions. Thus they benefit from

on site staff that can help them understand options available. Bill is consistent with goals for greater financial efficiency & service to students.
New software system...made life more difficult.

Lorraine: Had a change in software system, where state board took over process. During time experienced difficulties w/ software & put extra burden on financial aid office. Working more closely with state board in future to help students better. Ultimate goal of minimizing student barriers & promote success. Significant increases in past 2 years & have already begun conversations regarding implementation of efficiency study. Process that have great potential to be streamlined & simplified. March 15 to college presidents.

Persons Testifying: PRO: Senator Kilmer, prime sponsor; Jan Yoshiwara, SBCTC; Pamela Transue, Tacoma Community College; Lorraine Odom, Highline Community College.