

HOUSE BILL REPORT

ESHB 1247

As Passed Legislature

Title: An act relating to the job skills program.

Brief Description: Modifying job skills program provisions.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Hansen, Warnick, Smith, Zeiger, Fey, Springer, Tharinger and Santos).

Brief History:

Committee Activity:

Labor & Workforce Development: 1/30/13, 2/6/13 [DPS].

Floor Activity:

Passed House: 3/9/13, 98-0.

Passed Senate: 4/16/13, 46-0.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Allows small businesses to provide financial support that is equal to the trainees' salaries and benefits during training, rather than equal to the Job Skills Program grant amount.
- Amends some of the criteria used when determining which applications for Job Skills Program grants get priority.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller, Ormsby and Short.

Staff: Trudes Tango (786-7384).

Background:

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 Job Skills Program (JSP), created in 1983, provides short-term training customized to meet businesses' specific needs. The JSP awards grants to licensed educational institutions that work in partnership with business and industry to deliver training to new or current employees at the work site or in a classroom.

Financial support from business and industry must be equal to or greater than the amount of the grant, and may be in the form of cash or in-kind resources.

The JSP is administered by the State Board of Community and Technical Colleges (SBCTC). The SBCTC must work collaboratively with the Workforce Training Customer Advisory Committee to assure that the grant program meets certain statutorily established criteria. In addition, the JSP must give priority to applications that: (1) propose training of transferable skills; (2) coordinate with other cluster-based programs; (3) propose industry-based credentialing; (4) propose increased capacity for educational institutions that can be available to industry and students beyond the grant recipients; and (5) are from firms in strategic industry clusters as identified by the state or local areas.

The JSP was funded at \$2.725 million from the State General Fund for fiscal year 2012 and fiscal year 2013 of the biennium, for a total of \$5.5 million. The budget proviso requires the SBCTC to make an annual report to the Legislature regarding the implementation of the JSP.

Summary of Engrossed Substitute Bill:

Contributing financial support from businesses having an annual gross business income of less than \$500,000 must be at least equal to the trainees' salaries and benefits while in training rather than equal to or greater than the Job Skills Program grant. Annual gross income is based on the income reported to the Department of Revenue for the previous fiscal year.

Two criteria in the priority list are replaced. Priority will be given to applications proposing training that provides college credit or leads to a recognized industry credential (rather than training that leads to transferable skills) and to applications from consortia of colleges or consortia of employers (rather than applications proposing industry-based credentialing). The SBCTC must report to the Legislature annually.

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 of substitute bill) This bill will help small businesses get easier access to training and make the program more efficient. The funding over the fiscal years was not working for businesses. This bill will allow businesses to get training on their own time line as opposed to adapting to a June fiscal year cut off. The fiscal year cut off prevents businesses from

applying for training. The dollar-for-dollar match is restricting small businesses, yet small businesses make up the bulk of businesses in the state. It is difficult for "mom and pop" businesses to get skilled workers. Those businesses want to "skill up" their existing employees, which would make room for new workers. The JSP money is sometimes the only resource for companies to train their employees. This bill makes the JSP more flexible to align with the needs of business.

(Opposed) None.

Persons Testifying: Representative Hansen, prime sponsor; Anna Nikolaeva, State Board of Community and Technical Colleges; Sue Ambler, Workforce Development Council Snohomish County; and Mary Trimarco, Department of Commerce.

Persons Signed In To Testify But Not Testifying: None.