

# SENATE BILL REPORT

## SB 5560

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As Reported by Senate Committee On:  
Higher Education, February 12, 2013  
Ways & Means, March 1, 2013

**Title:** An act relating to the job skills program.

**Brief Description:** Modifying job skills program provisions.

**Sponsors:** Senators Bailey, Kohl-Welles and Tom.

**Brief History:**

**Committee Activity:** Higher Education: 2/05/13, 2/12/13 [DPS-WM].  
Ways & Means: 2/26/13, 3/01/13 [DP2S].

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** That Substitute Senate Bill No. 5560 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Bailey, Chair; Becker, Vice Chair; Kohl-Welles, Ranking Member; Baumgartner, Frockt, McAuliffe and Tom.

**Staff:** Katherine Taylor (786-7434)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5560 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Nelson, Assistant Ranking Member; Bailey, Becker, Braun, Conway, Dammeier, Fraser, Hasegawa, Hatfield, Hewitt, Keiser, Kohl-Welles, Murray, Padden, Parlette, Rivers, Schoesler and Tom.

**Staff:** Maria Hovde (786-7710)

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

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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 Program was funded at \$2.725 million from the 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 State Board of Community and Technical Colleges (SBCTC) to make an annual report to the Legislature regarding the implementation of the Program, listing the scope of grant awards, the distribution of funds by educational sector and region, and the results of the partnerships supported by the funds.

The Program is administered by SBCTC. 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 Program must give priority to applications that:

- propose training of transferable skills;
- coordinate with other cluster-based programs;
- propose industry-based credentialing;
- propose increased capacity for educational institutions that can be available to industry and students beyond the grant recipients; and
- are from firms in strategic industry clusters as identified by the state or local areas.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Recommended Second Substitute):** The commitment of financial support from businesses with an annual gross business income of \$500,000 or more must be equal to or greater than the amount of the requested job skills grant. The commitment of financial support from businesses with an annual gross income of less than \$500,000 must be equal to the trainees' salaries and benefits while in training.

The Program gives priority to, but not exclusively to, the following types of applications:

- those with training that provides college credit or leads to a recognized industry credential;
- those from consortia of colleges; and
- those from consortia of firms.

Beginning January 1, 2014, and every year thereafter, SBCTC must provide the Legislature and the Governor with a report describing the activities and outcomes of the Program.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute):** Removes language that would have created two new accounts for the Program.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Proposed Substitute as Heard in Committee (Higher Education):** PRO: This is a solid program. When the program went through the lean process we saw there were areas that could be improved. The program is a large convenience to businesses. Funds can be rolled over. Small businesses are significantly under-represented. The changes in this bill will help these small businesses participate. No extra funding needed. Carlile Inc. went through this program with great results. Carlile Inc. adopted a lot of the training from the program. Carlile Inc. appreciated this program because it does not have a lot of extra profits to improve training or skills. Impact Washington partners with the program and it allows them to approach smaller companies. The cost match is a challenge for smaller companies. These are a couple of examples of the program helping companies. The program must be finished within a certain timeframe. Impact Washington partners with other agencies such as the Department of Commerce. The program is a benefit used by companies to recruit new employees.

**Persons Testifying (Higher Education):** PRO: Anna Nikolaeva, SBCTC; Theodore Klein, Carlile Inc.; Rhea Wallace, Impact WA.

**Staff Summary of Public Testimony as Heard in Committee (Ways & Means) :** PRO: This bill allows greater flexibility for implementation of the Program and removes barriers that will allow more efficient service delivery to businesses. The June 30 deadline prevents businesses from applying for participation in the program in the latter part of the fiscal year. Currently, small businesses are priced out but with the modification to the match requirement it will become more equitable for them to participate. This program makes a difference to business competitiveness in the the state. The additional flexibility is needed to accommodate business cycles and trends.

**Persons Testifying (Ways & Means):** PRO: Anna Nikolaeva, Nick Lutes, SBCTC; Nova Gattman, Workforce Training and Education Coordinating Board.