

# SENATE BILL REPORT

## SB 5783

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As of February 18, 2013

**Title:** An act relating to modifying the Washington customized employment training program to include industry cluster associations.

**Brief Description:** Modifying the Washington customized employment training program to include industry cluster associations.

**Sponsors:** Senators Shin, Harper, Keiser, Nelson, Conway, King, Sheldon, Holmquist Newbry, Hasegawa, Hobbs and Eide.

**Brief History:**

**Committee Activity:** Trade & Economic Development: 2/19/13.

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### SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

**Staff:** Jack Brummel (786-7428)

**Background:** The Washington Customized Employment Program (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 training institutions in the state. Preference in granting training allowances is given to employers with fewer than 50 employees.

The Employment Training Finance Account (training account) was funded for SBCTC to provide training allowances. At the completion of training, employers must pay one-quarter of the cost of the training into the account. The additional three-quarters of the cost must be paid into the account over the following 18 months. A business and occupation tax credit is provided to participants for 50 percent of the amount that they pay into the training account for employee training.

Participants must make good-faith efforts to hire from trainees in the participant's training program. Colleges must make good-faith efforts to use trainers preferred by participants.

SBCTC must ensure a seamless process toward participation in the program for employers that have qualified for the Job Skills Program but are not able to participate because those funds have been committed.

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*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.*

Up to \$75,000 per year from the training account may be used by SBCTC for training, marketing, and facilitation services to increase the use of the program. The program expires on July 1, 2017.

**Summary of Bill:** Industry cluster associations may be participants undertaking a training program with a training institution. Private employers that are members of an industry cluster association and hire a trainee of such training programs may be considered participants as well and be eligible for the tax credit worth 50 percent of the amount they put into the training account.

**Appropriation:** None.

**Fiscal Note:** Available.

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

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