

SENATE BILL REPORT

SB 5381

As Reported by Senate Committee On:
Higher Education, February 7, 2017

Title: An act relating to making the customized training program permanent.

Brief Description: Making the customized training program permanent. [**Revised for 1st Substitute:** Making the customized employment training program permanent.]

Sponsors: Senators Baumgartner, Palumbo, Chase, Mullet and Conway; by request of State Board for Community and Technical Colleges.

Brief History:

Committee Activity: Higher Education: 2/02/17, 2/07/17 [DPS-WM].

Brief Summary of Substitute Bill

- Removes the expiration date for the Washington Customized Employment Training Program.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5381 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wilson, Chair; Bailey, Vice Chair; Palumbo, Ranking Minority Member; Frockt.

Staff: Evan Klein (786-7483)

Background: The Legislature created the Washington Customized Employment Training Program (Program) in 2006 to provide training assistance to employers located in or expanding to Washington.

The State Board for Community and Technical Colleges (State Board) administers the Program. The State Board awards training allowances to eligible employers who contract with qualified community and technical colleges or private vocational schools to provide customized training to individuals. Per trainee allowances are capped depending on the size of the business: \$3,000 for businesses employing 50 or more positions and \$6,000 for

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businesses employing less than 50 positions. Preference is given to employers with fewer than 50 employees. The employer must make good faith efforts to hire from trainees in the Program. Colleges must make good faith efforts to use trainers preferred by employers participating in the Program. At the completion of training, employers must re-pay the training allowance in phases over a period of 18 months. Repayments are deposited into the Training Finance Account that was created as part of the Program.

The Program was originally set to expire in 2012 and the Legislature later extended the expiration date to July 1, 2017.

Summary of Bill (First Substitute): The expiration date of the Washington Customized Employment Training Program is removed.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION COMMITTEE (First Substitute):

- Removes additional expiration dates for the Program that were erroneously left out of initial draft.
- Corrects the title.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Since 2007, the Program has been a useful tool for economic and workforce development in Washington. This revolving loan fund efficiently trains students and serves businesses across the state. The Program has trained nearly 2200 employees. The Program allows CTCs to establish strategic partnerships with employers. This Program also helps to address skills gaps with graduates. Grants through the Program allow employers to train students to increase their understanding of an employer's specific processes while working.

Persons Testifying: PRO: Senator Michael Baumgartner, Prime Sponsor; Anna Nikolaeva, State Board for Community and Technical Colleges; Ray Kubista, Everett Community College; Lorri Miller, Jamco America.

Persons Signed In To Testify But Not Testifying: No one.