
College & Workforce Development Committee

HB 1033

Brief Description: Concerning the Washington customized employment training program.

Sponsors: Representatives Leavitt, Boehnke, Bronoske, Santos, Paul and Orwall.

Brief Summary of Bill

- Extends the expiration date for the Washington Customized Employment Training Program Business and Occupation tax credit to July 1, 2026;
- Requires the State Board for Community and Technical Colleges to report certain data from the Washington Customized Employment Training Program to the Legislature.

Hearing Date: 1/18/21

Staff: Elizabeth Allison (786-7129).

Background:

The Washington Customized Employment Training Program (Program) was created in 2006 to fund workforce training in a manner that reduces the up-front training costs to employers locating or expanding in the state. The State Board for Community and Technical Colleges (SBCTC) administers the Program. The SBCTC awards training allowances to eligible employers who contract with qualified community and technical colleges or private vocational schools to provide customized training to individuals. Preference is given to businesses with fewer than 50 employees, and to training that leads to transferable skills that are interchangeable among different jobs, employers, or workplaces.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Once training is complete, the business must repay costs to the Employment Training Finance Account created for the Program. The first payment is equal to 25 percent of the full cost of the training and is due upon the completion of training. The remaining 75 percent is spread over the next 18 months. As each payment is made, the business may take a state Business and Occupation (B&O) tax credit equal to 50 percent of the payment. The total tax credit is equal to 50 percent of the full cost of the training. Businesses may carry forward unused credits. Credits may not be taken after July 1, 2021.

Summary of Bill:

The expiration date for use of the Washington Customized Employment Training Program B&O tax credit is extended from July 1, 2021 to July 1, 2026.

By December 31, 2024, the SBCTC is required to report to the higher education committees of the Legislature on:

- industries supported by the Program;
- the geographical location of companies utilizing the Program;
- the number of employees trained;
- the types of occupations included in the training;
- the wages of employees trained prior to Program entrance and the wage growth one year after training;
- retention of employees for a period of one year after training; and
- credential attainment of employees upon completion of the training, if applicable.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.