
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5809

State of Washington

61st Legislature

2009 Regular Session

By Senate Ways & Means (originally sponsored by Senator Hargrove)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to workforce employment and training; amending RCW
2 50.16.010; adding a new section to chapter 28B.50 RCW; adding new
3 sections to chapter 50.22 RCW; creating a new section; and declaring an
4 emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 50.16.010 and 2009 c 4 s 906 are each amended to read
7 as follows:

8 (1) There shall be maintained as special funds, separate and apart
9 from all public moneys or funds of this state an unemployment
10 compensation fund, an administrative contingency fund, and a federal
11 interest payment fund, which shall be administered by the commissioner
12 exclusively for the purposes of this title, and to which RCW 43.01.050
13 shall not be applicable.

14 (2)(a) The unemployment compensation fund shall consist of:

15 (i) All contributions collected under RCW 50.24.010 and payments in
16 lieu of contributions collected pursuant to the provisions of this
17 title;

18 (ii) Any property or securities acquired through the use of moneys
19 belonging to the fund;

1 (iii) All earnings of such property or securities;

2 (iv) Any moneys received from the federal unemployment account in
3 the unemployment trust fund in accordance with Title XII of the social
4 security act, as amended;

5 (v) All money recovered on official bonds for losses sustained by
6 the fund;

7 (vi) All money credited to this state's account in the unemployment
8 trust fund pursuant to section 903 of the social security act, as
9 amended;

10 (vii) All money received from the federal government as
11 reimbursement pursuant to section 204 of the federal-state extended
12 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

13 (viii) All moneys received for the fund from any other source.

14 (b) All moneys in the unemployment compensation fund shall be
15 commingled and undivided.

16 (3)(a) Except as provided in (b) of this subsection, the
17 administrative contingency fund shall consist of:

18 (i) All interest on delinquent contributions collected pursuant to
19 this title;

20 (ii) All fines and penalties collected pursuant to the provisions
21 of this title;

22 (iii) All sums recovered on official bonds for losses sustained by
23 the fund; and

24 (iv) Revenue received under RCW 50.24.014.

25 (b) All fees, fines, forfeitures, and penalties collected or
26 assessed by a district court because of the violation of this title or
27 rules adopted under this title shall be remitted as provided in chapter
28 3.62 RCW.

29 (c) During the 2007-2009 biennium, moneys available in the
30 administrative contingency fund, other than money in the special
31 account created under RCW 50.24.014(1)(a), shall be expended as
32 appropriated by the legislature for the (i) cost of the job skills or
33 worker retraining programs at the community and technical colleges and
34 administrative costs at the state board for community and technical
35 colleges, and (ii) reemployment services such as business and project
36 development assistance, local economic development capacity building,
37 and local economic development financial assistance at the department
38 of community, trade, and economic development, and the remaining

1 appropriation upon the direction of the commissioner, with the approval
2 of the governor, whenever it appears to him or her that such
3 expenditure is necessary solely for:

4 (i) The proper administration of this title and that insufficient
5 federal funds are available for the specific purpose to which such
6 expenditure is to be made, provided, the moneys are not substituted for
7 appropriations from federal funds which, in the absence of such moneys,
8 would be made available.

9 (ii) The proper administration of this title for which purpose
10 appropriations from federal funds have been requested but not yet
11 received, provided, the administrative contingency fund will be
12 reimbursed upon receipt of the requested federal appropriation.

13 (iii) The proper administration of this title for which compliance
14 and audit issues have been identified that establish federal claims
15 requiring the expenditure of state resources in resolution. Claims
16 must be resolved in the following priority: First priority is to
17 provide services to eligible participants within the state; second
18 priority is to provide substitute services or program support; and last
19 priority is the direct payment of funds to the federal government.

20 (d) For fiscal year 2010, moneys available in the administrative
21 contingency fund, other than money in the special account created under
22 RCW 50.24.014(1)(a), shall be expended as appropriated by the
23 legislature to serve individuals who are eligible for or have exhausted
24 entitlement to unemployment compensation benefits and are enrolled in
25 a high employer demand program of study or a forest product industry
26 training program pursuant to section 2 of this act, and the remaining
27 appropriation upon the direction of the commissioner, with the approval
28 of the governor, whenever it appears to the commissioner that such
29 expenditure is necessary solely for:

30 (i) The proper administration of this title and that insufficient
31 federal funds are available for the specific purpose to which such
32 expenditure is to be made, if the moneys are not substituted for
33 appropriations from federal funds which, in the absence of such moneys,
34 would be made available;

35 (ii) The proper administration of this title for which purpose
36 appropriations from federal funds have been requested but not yet
37 received, if the administrative contingency fund will be reimbursed
38 upon receipt of the requested federal appropriation; and

1 (iii) The proper administration of this title for which compliance
2 and audit issues have been identified that establish federal claims
3 requiring the expenditure of state resources in resolution. Claims
4 must be resolved in the following priority: First priority is to
5 provide services to eligible participants within the state; second
6 priority is to provide substitute services or program support; and last
7 priority is the direct payment of funds to the federal government.

8 Money in the special account created under RCW 50.24.014(1)(a) may
9 only be expended, after appropriation, for the purposes specified in
10 this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
11 50.44.053, and 50.22.010.

12 NEW SECTION. Sec. 2. A new section is added to chapter 28B.50 RCW
13 to read as follows:

14 (1) Subject to availability of funds, high employer demand training
15 funds are available for use by the state board for community and
16 technical colleges to serve individuals who are eligible for or have
17 exhausted entitlement to unemployment compensation benefits and are
18 enrolled in a high employer demand program of study or a forest product
19 industry training program. Preference must be given to individuals
20 enrolled in the forest product industry, health care, energy
21 efficiency, and aerospace worker training programs.

22 (2) Funds may be used for the following purposes for individuals
23 eligible under subsection (1) of this section: Expenses related to
24 educational and career counseling services, training plan development,
25 and referral to appropriate training programs in high-demand
26 occupations; increased capacity at community and technical colleges to
27 make training programs in high-demand occupations available; financial
28 aid for eligible students enrolled at an institution of higher
29 education as defined in RCW 28B.10.016 or an educational institution as
30 defined in RCW 28C.04.410; and job development and referral services.

31 (3) After the first year of the program, if funds are not fully
32 expended, the state board for community and technical colleges may
33 broaden individual eligibility criteria.

34 (4) Funds available under this section cannot be used to replace or
35 supplant any existing enrollments, programs, support services, or
36 funding sources.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.22 RCW
2 to read as follows:

3 Consistent with the intent of the workforce investment act of 1998,
4 P.L. 105-220, administrative funds made available under the act shall
5 be used to serve individuals who are eligible for or have exhausted
6 entitlement to unemployment compensation benefits and are enrolled in
7 a high employer demand program of study or a forest product industry
8 training program pursuant to section 2 of this act.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.22 RCW
10 to read as follows:

11 The employment security department shall encourage an increase in
12 education and training through grants and local plan modifications with
13 workforce development councils. Consistent with the intent of the
14 workforce investment act, adult and dislocated worker program
15 provisions in the American recovery and reinvestment act of 2009, the
16 employment security department shall require workforce development
17 councils to determine the number of participants who will receive
18 education and training. The employment security department shall
19 encourage workforce development councils to:

20 (1) Increase the number of workforce investment act adult and
21 dislocated worker participants receiving education and training to
22 obtain employment in high-demand occupations as defined in RCW
23 50.22.--- (section 4, chapter 3, Laws of 2009), through institutions of
24 higher education as defined in RCW 28B.10.016, or educational
25 institutions as defined in RCW 28C.04.410; and

26 (2) Use workforce investment act resources for the following
27 education and training purposes: The provision of individual training
28 accounts that provide student financial aid; to increase the number of
29 individuals receiving training benefits; and to enter into contracts
30 with institutions of higher education to increase capacity for training
31 low-income individuals for high-demand occupations and dislocated
32 workers for high-demand occupations.

33 NEW SECTION. **Sec. 5.** The employment security department, in
34 collaboration with the workforce training and education coordinating
35 board, workforce development councils, and state board for community
36 and technical colleges, shall submit reports as follows to the

1 appropriate committees of the legislature related to the American
2 recovery and reinvestment act of 2009 workforce investment act adult
3 and dislocated worker programs:

4 (1) A preliminary report by December 1, 2009, that includes
5 expenditures on education and training, the number of students
6 receiving training, the types of training received by the students,
7 student demographics, and institution/program demographics;

8 (2) A preliminary report by December 1, 2010, that includes the
9 innovations in training including new training capacity, new classes,
10 and alternative training times and locations; and

11 (3) A final report by December 1, 2011, that includes expenditures
12 on education and training, the number of certified full-time equivalent
13 students receiving training, the types of training received by the
14 students, student demographics, training completion rates, employment
15 rates, and comparisons of preprogram and postprogram wage levels.

16 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of the
18 state government and its existing public institutions, and takes effect
19 immediately.

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