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SENATE BILL 5809

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State of Washington

61st Legislature

2009 Regular Session

By Senator Hargrove

Read first time 02/03/09. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to workforce employment and training; amending RCW  
2 50.24.014 and 50.29.025; creating new sections; and providing an  
3 expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the economy of  
6 the state depends on a well-trained workforce and a strong employment  
7 system. A well-trained workforce generates the productivity employers  
8 need to compete in the global economy and to pay workers good wages.  
9 The legislature further finds that too many Washington workers are  
10 unemployed and that the increasing pace of economic change makes it  
11 imperative that unemployed workers become lifelong learners. The state  
12 should provide unemployed workers a variety of effective services,  
13 including timely payment of unemployment benefits, job and career  
14 counseling, job referral services, and training. Therefore, the  
15 legislature finds it necessary and in the public interest to create an  
16 employment and training trust fund to provide state funding for  
17 employment and training services.

1        NEW SECTION.    **Sec. 2.**    (1) An individual may be eligible for  
2 applicable employment security benefits while participating in  
3 workforce training. Eligibility is at the discretion of the  
4 commissioner of employment security after submitting a commissioner-  
5 approved training waiver and developing a detailed individualized  
6 training plan.

7        (2) Benefits paid under this section may not be charged to the  
8 experience rating accounts of individual employers.

9        (3) The commissioner shall adopt rules as necessary to implement  
10 this section.

11       NEW SECTION.    **Sec. 3.**    Aerospace workers unemployed as a result of  
12 downsizing and restructuring of the aerospace industry will be deemed  
13 to be dislocated workers for the purpose of commissioner approval of  
14 training under RCW 50.20.043.

15       NEW SECTION.    **Sec. 4.**    (1) The employment security department shall  
16 disburse the amounts appropriated by the legislature for the purposes  
17 of this act to the state board for community and technical colleges.  
18 These funds shall be allocated for training programs and related  
19 support services, including financial aid, in the community and  
20 technical college system that:

21        (a) Are consistent with workforce training priorities and based  
22 upon the comprehensive plan for workforce training developed by the  
23 workforce training and education coordinating board. The state board  
24 for community and technical colleges shall develop a plan for the use  
25 and evaluation of these funds, which is to be approved by the workforce  
26 training and education coordinating board for consistency with their  
27 workforce priorities. In developing and approving the plan,  
28 information shall be gathered from small businesses, with particular  
29 emphasis on businesses with fifteen or fewer employees. Further, the  
30 state board for community and technical colleges shall report to the  
31 workforce training and education coordinating board and the legislature  
32 by January 1, 2010, on the progress and results of the training and  
33 support services provided to eligible participants;

34        (b) Provide increased enrollments for individuals who have been  
35 terminated or have received a notice of termination from employment,  
36 and who are eligible for or have exhausted their entitlement to

1 unemployment compensation benefits within the previous twenty-four  
2 months, with first priority given to individuals who are unlikely to  
3 return to employment in the individual's principal occupation or  
4 previous industry because of a diminishing demand for their skills in  
5 that occupation or industry; and

6 (c) Provide increased enrollments and support services, including  
7 financial aid, that do not replace or supplant any existing  
8 enrollments, programs, support services, or funding sources. For  
9 fiscal year 2010, the state board for community and technical colleges  
10 may borrow from the general fund to initiate the programs authorized  
11 under this act. However, the board shall repay the borrowed amount by  
12 the end of the fiscal biennium from funds appropriated to it from the  
13 administrative contingency fund.

14 (2) For the purposes of this act, training provided by the  
15 community and technical colleges shall consist only of basic skills and  
16 literacy, occupational skills, vocational education, and related or  
17 supplemental instruction for apprentices who are enrolled in a  
18 registered, state-approved apprenticeship program. Community and  
19 technical colleges may contract with skill centers to provide training.  
20 Upon the request of an eligible recipient, a community or technical  
21 college may contract with a private technical school for specialized  
22 vocational training. Available tuition for the training is limited to  
23 the amount that would otherwise be obtained per enrolled quarter to a  
24 public institution of higher education and funding is only available to  
25 students who seek training in a course of study not available at a  
26 public institution of higher education within an eligible recipient's  
27 congressional district.

28 **Sec. 5.** RCW 50.24.014 and 2007 c 327 s 2 are each amended to read  
29 as follows:

30 (1)(a) A separate and identifiable account to provide for the  
31 financing of special programs to assist the unemployed is established  
32 in the administrative contingency fund. All money in this account  
33 shall be expended solely for the purposes of this title and for no  
34 other purposes whatsoever. Contributions to this account shall accrue  
35 and become payable by each employer, except employers as described in  
36 RCW 50.44.010 and 50.44.030 who have properly elected to make payments  
37 in lieu of contributions, taxable local government employers as

1 described in RCW 50.44.035, and those employers who are required to  
2 make payments in lieu of contributions, at a basic rate of two one-  
3 hundredths of one percent. The amount of wages subject to tax shall be  
4 determined under RCW 50.24.010.

5 (b) A separate and identifiable account is established in the  
6 administrative contingency fund for financing the employment security  
7 department's administrative cost under RCW 50.22.150 and the costs  
8 under RCW 50.22.150(10). All money in this account shall be expended  
9 solely for the purposes of this title and for no other purposes  
10 whatsoever. Contributions to this account shall accrue and become  
11 payable by each employer, except employers as described in RCW  
12 50.44.010 and 50.44.030 who have properly elected to make payments in  
13 lieu of contributions, taxable local government employers as described  
14 in RCW 50.44.035, those employers who are required to make payments in  
15 lieu of contributions, those employers described under RCW  
16 50.29.025(1)(f)(ii), and those qualified employers assigned rate class  
17 20 or rate class 40, as applicable, under RCW 50.29.025, at a basic  
18 rate of one one-hundredth of one percent. The amount of wages subject  
19 to tax shall be determined under RCW 50.24.010. Any amount of  
20 contributions payable under this subsection (1)(b) that exceeds the  
21 amount that would have been collected at a rate of four one-thousandths  
22 of one percent must be deposited in the account created in (a) of this  
23 subsection.

24 (c) For rate year 2009, a surcharge on contributions payable under  
25 this section shall be charged sufficient to increase revenue by two  
26 hundred million dollars.

27 (2)(a) Contributions under this section shall become due and be  
28 paid by each employer under rules as the commissioner may prescribe,  
29 and shall not be deducted, in whole or in part, from the remuneration  
30 of individuals in the employ of the employer. Any deduction in  
31 violation of this section is unlawful.

32 (b) In the payment of any contributions under this section, a  
33 fractional part of a cent shall be disregarded unless it amounts to  
34 one-half cent or more, in which case it shall be increased to one cent.

35 (3) If the commissioner determines that federal funding has been  
36 increased to provide financing for the services specified in chapter  
37 50.62 RCW, the commissioner shall direct that collection of

1 contributions under this section be terminated on the following January  
2 1st.

3 **Sec. 6.** RCW 50.29.025 and 2007 c 51 s 1 are each amended to read  
4 as follows:

5 (1) Except as provided in subsection (2) of this section, the  
6 contribution rate for each employer subject to contributions under RCW  
7 50.24.010 shall be determined under this subsection.

8 (a) A fund balance ratio shall be determined by dividing the  
9 balance in the unemployment compensation fund as of the September 30th  
10 immediately preceding the rate year by the total remuneration paid by  
11 all employers subject to contributions during the second calendar year  
12 preceding the rate year and reported to the department by the following  
13 March 31st. The division shall be carried to the fourth decimal place  
14 with the remaining fraction, if any, disregarded. The fund balance  
15 ratio shall be expressed as a percentage.

16 (b) The interval of the fund balance ratio, expressed as a  
17 percentage, shall determine which tax schedule in (e) of this  
18 subsection shall be in effect for assigning tax rates for the rate  
19 year. The intervals for determining the effective tax schedule shall  
20 be:

21	Interval of the	
22	Fund Balance Ratio	Effective
23	Expressed as a Percentage	Tax Schedule
24	2.90 and above	AA
25	2.10 to 2.89	A
26	1.70 to 2.09	B
27	1.40 to 1.69	C
28	1.00 to 1.39	D
29	0.70 to 0.99	E
30	Less than 0.70	F

31 (c) An array shall be prepared, listing all qualified employers in  
32 ascending order of their benefit ratios. The array shall show for each  
33 qualified employer: (i) Identification number; (ii) benefit ratio;  
34 (iii) taxable payrolls for the four calendar quarters immediately  
35 preceding the computation date and reported to the department by the

1 cut-off date; (iv) a cumulative total of taxable payrolls consisting of  
 2 the employer's taxable payroll plus the taxable payrolls of all other  
 3 employers preceding him or her in the array; and (v) the percentage  
 4 equivalent of the cumulative total of taxable payrolls.

5 (d) Each employer in the array shall be assigned to one of twenty  
 6 rate classes according to the percentage intervals of cumulative  
 7 taxable payrolls set forth in (e) of this subsection: PROVIDED, That  
 8 if an employer's taxable payroll falls within two or more rate classes,  
 9 the employer and any other employer with the same benefit ratio shall  
 10 be assigned to the lowest rate class which includes any portion of the  
 11 employer's taxable payroll.

12 (e) Except as provided in RCW 50.29.026, the contribution rate for  
 13 each employer in the array shall be the rate specified in the following  
 14 tables for the rate class to which he or she has been assigned, as  
 15 determined under (d) of this subsection, within the tax schedule which  
 16 is to be in effect during the rate year:

		Percent of		Schedules of Contributions Rates							
		Cumulative		for Effective Tax Schedule							
		Taxable Payrolls									
		Rate									
From	To Class	AA	A	B	C	D	E	F			
0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47		
5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67		
10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87		
15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98		
20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08		
25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18		
30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27		
35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47		
40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66		
45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86		
50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95		
55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15		
60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34		
65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54		
70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63		
75.01	80.00	16	2.87	3.09	3.42	3.81	4.22	4.53	4.73		
80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97		

1	85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
2	90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37
3	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

4 (f) The contribution rate for each employer not qualified to be in  
5 the array shall be as follows:

6 (i) Employers who do not meet the definition of "qualified  
7 employer" by reason of failure to pay contributions when due shall be  
8 assigned a contribution rate two-tenths higher than that in rate class  
9 20 for the applicable rate year, except employers who have an approved  
10 agency-deferred payment contract by September 30 of the previous rate  
11 year. If any employer with an approved agency-deferred payment  
12 contract fails to make any one of the succeeding deferred payments or  
13 fails to submit any succeeding tax report and payment in a timely  
14 manner, the employer's tax rate shall immediately revert to a  
15 contribution rate two-tenths higher than that in rate class 20 for the  
16 applicable rate year; and

17 (ii) For all other employers not qualified to be in the array, the  
18 contribution rate shall be a rate equal to the average industry rate as  
19 determined by the commissioner; however, the rate may not be less than  
20 one percent.

21 (2) Beginning with contributions assessed for rate year 2005, the  
22 contribution rate for each employer subject to contributions under RCW  
23 50.24.010 shall be the sum of the array calculation factor rate and the  
24 graduated social cost factor rate determined under this subsection, and  
25 the solvency surcharge determined under RCW 50.29.041, if any.

26 (a) The array calculation factor rate shall be determined as  
27 follows:

28 (i) An array shall be prepared, listing all qualified employers in  
29 ascending order of their benefit ratios. The array shall show for each  
30 qualified employer: (A) Identification number; (B) benefit ratio; and  
31 (C) taxable payrolls for the four consecutive calendar quarters  
32 immediately preceding the computation date and reported to the  
33 employment security department by the cut-off date.

34 (ii) Each employer in the array shall be assigned to one of forty  
35 rate classes according to his or her benefit ratio as follows, and,  
36 except as provided in RCW 50.29.026, the array calculation factor rate  
37 for each employer in the array shall be the rate specified in the rate  
38 class to which the employer has been assigned:

	Benefit Ratio		Rate	Rate
	At least	Less than	Class	(percent)
3		0.000001	1	0.00
4	0.000001	0.001250	2	0.13
5	0.001250	0.002500	3	0.25
6	0.002500	0.003750	4	0.38
7	0.003750	0.005000	5	0.50
8	0.005000	0.006250	6	0.63
9	0.006250	0.007500	7	0.75
10	0.007500	0.008750	8	0.88
11	0.008750	0.010000	9	1.00
12	0.010000	0.011250	10	1.15
13	0.011250	0.012500	11	1.30
14	0.012500	0.013750	12	1.45
15	0.013750	0.015000	13	1.60
16	0.015000	0.016250	14	1.75
17	0.016250	0.017500	15	1.90
18	0.017500	0.018750	16	2.05
19	0.018750	0.020000	17	2.20
20	0.020000	0.021250	18	2.35
21	0.021250	0.022500	19	2.50
22	0.022500	0.023750	20	2.65
23	0.023750	0.025000	21	2.80
24	0.025000	0.026250	22	2.95
25	0.026250	0.027500	23	3.10
26	0.027500	0.028750	24	3.25
27	0.028750	0.030000	25	3.40
28	0.030000	0.031250	26	3.55
29	0.031250	0.032500	27	3.70
30	0.032500	0.033750	28	3.85
31	0.033750	0.035000	29	4.00
32	0.035000	0.036250	30	4.15
33	0.036250	0.037500	31	4.30
34	0.037500	0.040000	32	4.45
35	0.040000	0.042500	33	4.60
36	0.042500	0.045000	34	4.75

1	0.045000	0.047500	35	4.90
2	0.047500	0.050000	36	5.05
3	0.050000	0.052500	37	5.20
4	0.052500	0.055000	38	5.30
5	0.055000	0.057500	39	5.35
6	0.057500		40	5.40

7 (b) The graduated social cost factor rate shall be determined as  
8 follows:

9 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,  
10 the commissioner shall calculate the flat social cost factor for a rate  
11 year by dividing the total social cost by the total taxable payroll.  
12 The division shall be carried to the second decimal place with the  
13 remaining fraction disregarded unless it amounts to five hundredths or  
14 more, in which case the second decimal place shall be rounded to the  
15 next higher digit. The flat social cost factor shall be expressed as  
16 a percentage.

17 (B) If, on the cut-off date, the balance in the unemployment  
18 compensation fund is determined by the commissioner to be an amount  
19 that will provide more than ten months of unemployment benefits, the  
20 commissioner shall calculate the flat social cost factor for the rate  
21 year immediately following the cut-off date by reducing the total  
22 social cost by the dollar amount that represents the number of months  
23 for which the balance in the unemployment compensation fund on the cut-  
24 off date will provide benefits above ten months and dividing the result  
25 by the total taxable payroll. However, the calculation under this  
26 subsection (2)(b)(i)(B) for a rate year may not result in a flat social  
27 cost factor that is more than four-tenths lower than the calculation  
28 under (b)(i)(A) of this subsection for that rate year.

29 For the purposes of this subsection, the commissioner shall  
30 determine the number of months of unemployment benefits in the  
31 unemployment compensation fund using the benefit cost rate for the  
32 average of the three highest calendar benefit cost rates in the twenty  
33 consecutive completed calendar years immediately preceding the cut-off  
34 date or a period of consecutive calendar years immediately preceding  
35 the cut-off date that includes three recessions, if longer.

36 (C) Except as provided in (b)(i)(D) of this subsection, the minimum  
37 flat social cost factor calculated under this subsection (2)(b) shall

1 be six-tenths of one percent, except that if the balance in the  
2 unemployment compensation fund is determined by the commissioner to be  
3 an amount that will provide:

4 (I) At least twelve months but less than fourteen months of  
5 unemployment benefits, the minimum shall be five-tenths of one percent;  
6 or

7 (II) At least fourteen months of unemployment benefits, the minimum  
8 shall be five-tenths of one percent, except that, for employers in rate  
9 class 1, the minimum shall be forty-five hundredths of one percent.

10 (D) The flat social cost factor for employers in all rate classes  
11 for rate year 2009 shall be sixteen one-hundredths of one percent.

12 (ii)(A) Except as provided in (b)(ii)(B) of this subsection, the  
13 graduated social cost factor rate for each employer in the array is the  
14 flat social cost factor multiplied by the percentage specified as  
15 follows for the rate class to which the employer has been assigned in  
16 (a)(ii) of this subsection, except that the sum of an employer's array  
17 calculation factor rate and the graduated social cost factor rate may  
18 not exceed six and five-tenths percent or, for employers whose North  
19 American industry classification system code is within "111," "112,"  
20 "1141," "115," "3114," "3117," "42448," or "49312," may not exceed six  
21 percent through rate year 2007 and may not exceed five and seven-tenths  
22 percent for rate year 2008 and thereafter:

23 (I) Rate class 1 - 78 percent;

24 (II) Rate class 2 - 82 percent;

25 (III) Rate class 3 - 86 percent;

26 (IV) Rate class 4 - 90 percent;

27 (V) Rate class 5 - 94 percent;

28 (VI) Rate class 6 - 98 percent;

29 (VII) Rate class 7 - 102 percent;

30 (VIII) Rate class 8 - 106 percent;

31 (IX) Rate class 9 - 110 percent;

32 (X) Rate class 10 - 114 percent;

33 (XI) Rate class 11 - 118 percent; and

34 (XII) Rate classes 12 through 40 - 120 percent.

35 (B) For contributions assessed beginning July 1, 2005, through  
36 December 31, 2007, for employers whose North American industry  
37 classification system code is "111," "112," "1141," "115," "3114,"

1 "3117," "42448," or "49312," the graduated social cost factor rate is  
2 zero.

3 (iii) For the purposes of this section:

4 (A) "Total social cost" means the amount calculated by subtracting  
5 the array calculation factor contributions paid by all employers with  
6 respect to the four consecutive calendar quarters immediately preceding  
7 the computation date and paid to the employment security department by  
8 the cut-off date from the total unemployment benefits paid to claimants  
9 in the same four consecutive calendar quarters. To calculate the flat  
10 social cost factor for rate year 2005, the commissioner shall calculate  
11 the total social cost using the array calculation factor contributions  
12 that would have been required to be paid by all employers in the  
13 calculation period if (a) of this subsection had been in effect for the  
14 relevant period.

15 (B) "Total taxable payroll" means the total amount of wages subject  
16 to tax, as determined under RCW 50.24.010, for all employers in the  
17 four consecutive calendar quarters immediately preceding the  
18 computation date and reported to the employment security department by  
19 the cut-off date.

20 (c) For employers who do not meet the definition of "qualified  
21 employer" by reason of failure to pay contributions when due:

22 (i) The array calculation factor rate shall be two-tenths higher  
23 than that in rate class 40, except employers who have an approved  
24 agency-deferred payment contract by September 30th of the previous rate  
25 year. If any employer with an approved agency-deferred payment  
26 contract fails to make any one of the succeeding deferred payments or  
27 fails to submit any succeeding tax report and payment in a timely  
28 manner, the employer's tax rate shall immediately revert to an array  
29 calculation factor rate two-tenths higher than that in rate class 40;  
30 and

31 (ii) The social cost factor rate shall be the social cost factor  
32 rate assigned to rate class 40 under (b)(ii) of this subsection.

33 (d) For all other employers not qualified to be in the array:

34 (i) For rate years 2005, 2006, and 2007:

35 (A) The array calculation factor rate shall be a rate equal to the  
36 average industry array calculation factor rate as determined by the  
37 commissioner, plus fifteen percent of that amount; however, the rate

1 may not be less than one percent or more than the array calculation  
2 factor rate in rate class 40; and

3 (B) The social cost factor rate shall be a rate equal to the  
4 average industry social cost factor rate as determined by the  
5 commissioner, plus fifteen percent of that amount, but not more than  
6 the social cost factor rate assigned to rate class 40 under (b)(ii) of  
7 this subsection.

8 (ii) Beginning with contributions assessed for rate year 2008:

9 (A) The array calculation factor rate shall be a rate equal to the  
10 average industry array calculation factor rate as determined by the  
11 commissioner, multiplied by the history factor, but not less than one  
12 percent or more than the array calculation factor rate in rate class  
13 40;

14 (B) The social cost factor rate shall be a rate equal to the  
15 average industry social cost factor rate as determined by the  
16 commissioner, multiplied by the history factor, but not more than the  
17 social cost factor rate assigned to rate class 40 under (b)(ii) of this  
18 subsection; and

19 (C) The history factor shall be based on the total amounts of  
20 benefits charged and contributions paid in the three fiscal years  
21 ending prior to the computation date by employers not qualified to be  
22 in the array, other than employers in (c) of this subsection, who were  
23 first subject to contributions in the calendar year ending three years  
24 prior to the computation date. The commissioner shall calculate the  
25 history ratio by dividing the total amount of benefits charged by the  
26 total amount of contributions paid in this three-year period by these  
27 employers. The division shall be carried to the second decimal place  
28 with the remaining fraction disregarded unless it amounts to five  
29 one-hundredths or more, in which case the second decimal place shall be  
30 rounded to the next higher digit. The commissioner shall determine the  
31 history factor according to the history ratio as follows:

	History		History
	Ratio		Factor
			(percent)
32			
33			
34			
35	At least	Less than	
36	(I)	.95	90

1	(II)	.95	1.05	100
2	(III)	1.05		115

3 (3) Assignment of employers by the commissioner to industrial  
4 classification, for purposes of this section, shall be in accordance  
5 with established classification practices found in the "Standard  
6 Industrial Classification Manual" issued by the federal office of  
7 management and budget to the third digit provided in the standard  
8 industrial classification code, or in the North American industry  
9 classification system code.

10 NEW SECTION. **Sec. 7.** (1) The employment security department shall  
11 report to the appropriate committees of the legislature by December 1,  
12 2010, on the status of the programs provided in this act and the  
13 resulting outcomes. The department shall include, in its report,  
14 quantitative and demographics information on the increase in job  
15 orders, placement referrals, individualized training plans, skill  
16 assessments, and other interventions achieved. The department shall  
17 also include in its report the number of repeat clients as a percentage  
18 of all clients served by programs provided in this act.

19 (2) The state board for community and technical colleges shall  
20 report to the appropriate committees of the legislature by December 1,  
21 2010, the number of certified full-time equivalent students receiving  
22 training as provided in this act. In addition, the report shall  
23 include information on the outcomes of the provided training. The  
24 report shall also include indices of placement rates, student  
25 demographics, training plan completion rates, and comparisons of  
26 preprogram and postprogram wage levels.

27 (3) Each community and technical college shall confer and consult  
28 with its respective labor-management advisory board concerning the  
29 college's efforts to provide training and services rendered under this  
30 act and meet the completion and placement goals of the workforce  
31 training and education coordinating board. Each community and  
32 technical college shall ensure the participation on its labor-  
33 management advisory board of small businesses, with particular emphasis  
34 on businesses with fifteen or fewer employees.

35 (4) The workforce training and education coordinating board shall  
36 conduct a study in consultation with the higher education coordinating

1 board on the feasibility of: (a) Redirecting all state and federal job  
2 training and retraining funds distributed in the state into a separate  
3 job training trust fund; and (b) distributing the funds according to  
4 uniform criteria. The workforce training and education coordinating  
5 board shall report to the appropriate committees of the legislature on  
6 the results of the study by December 1, 2010.

7 NEW SECTION. **Sec. 8.** If any part of this act is found to be in  
8 conflict with federal requirements that are a prescribed condition to  
9 the allocation of federal funds to the state, the conflicting part of  
10 this act is inoperative solely to the extent of the conflict and with  
11 respect to the agencies directly affected, and this finding does not  
12 affect the operation of the remainder of this act in its application to  
13 the agencies concerned. Rules adopted under this act must meet federal  
14 requirements that are a necessary condition to the receipt of federal  
15 funds by the state.

16 NEW SECTION. **Sec. 9.** If any provision of this act or its  
17 application to any person or circumstance is held invalid, the  
18 remainder of the act or the application of the provision to other  
19 persons or circumstances is not affected.

20 NEW SECTION. **Sec. 10.** This act applies to tax rate years  
21 beginning with tax rate year 2009.

22 NEW SECTION. **Sec. 11.** This act expires June 30, 2011.

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