

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 161
MARCH 21, 2012**

LEGISLATIVE WRAP-UP

Background

During the 2011 legislative session, the Workforce Board staff promoted, monitored and provided input on issues that matched the priorities identified in *High Skills, High Wages* and the budget resolution adopted by the Board in November (when consistent with the Governor's budget proposal).

At the Board meeting, staff will provide the Board with updates on relevant policy issues addressed during the regular legislative session, as well as the impact of pending budget proposals and/or the adopted budget.

Included in this tab are workforce-related bills that did and did not pass during the regular session and a summary of workforce-related items in the supplemental budget proposals as of the end of the regular session. Information on a final budget as adopted by the Legislature will be provided at the March 21, 2012 meeting if an agreement is reached prior to that date.

Board Action Requested: None. For discussion purposes only.

SUMMARY OF PRIORITY LEGISLATION

The following is a partial list of legislative bills and budget items of priority to the Workforce Board. A listing of additional priority bills and budget proposals are contained in sections following the introduction.

SHB 2483: *(Passed Legislature)* **The Student Achievement Council** is created as the successor agency to the HECB. The Workforce Board representative was removed from the Council by a Senate floor amendment.

ESB 6141: *(Passed Legislature)* **The Lifelong Learning Program** is established at the Workforce Board to allow employees to create Lifelong Learning Accounts (LiLAs). The Workforce Board may partner with financial institutions and nonprofits to develop operating procedures, ensure adequate marketing, and coordinate career counseling services.

2SHB 2156: *(Passed Legislature)* The SBCTC is required to facilitate **coordination and alignment of aerospace training programs** to the maximum extent possible and to establish the Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee. The Workforce Board is required to evaluate certain training programs every year and analyze the results of the training system every four years. The bill also makes the Aerospace Training Student Loan Program available to students enrolled in aerospace industry courses offered by Renton Technical College.

HB 2170: *(Died)* **The Career Pathways Act** passed the House, but was not reported out of Senate Ways and Means. There was funding appropriated in the initial House budget, but the Senate budget and the latest House budget does not include funding to implement this bill.

HB 2170 required the provision of information about multiple career pathways and employment information; development of programs of study; identification of online career exploration tools and development of an online mentor program; and encouraged career guidance and counseling.

2012 Supplemental Budget Proposals
Workforce-Related Items
G = Governor; H = House Passed on floor;
S – Senate Passed on Floor

Workforce Board

Budget Service Reduction – The State General Fund dollars are reduced in FY 2012 **(-\$70,000)** and FY 2013 **(-\$69,000)** - **G and - H**; State General Fund dollars are reduced in FY 2012 **(-\$108,000)** and in FY 2013 **(-\$108,000)** - **S**

Workforce Training/Aerospace - \$36,000 is provided pursuant to 2SHB Bill 2156 (workforce training/aerospace) to produce a skills gap analysis and to conduct an annual evaluation of aerospace and advanced materials manufacturing training programs - **H**

Office of Superintendent of Public Instruction

Navigation 101 – Funding for FY 2013 is eliminated **(-\$2,808,000)** - **S**

Building Bridges Grant Program – reduced by 20 percent in FY 2013 **(-\$67,000)** – **G**; Funding for FY 2013 is eliminated **(-\$337,000)** - **S**

Jobs for America’s Graduates Program – reduced by 20 percent in FY 2013 **(-\$27,000)** – **G**; Funding for FY 2013 is eliminated **(-\$135,000)** - **S**

Project Lead the Way - \$250,000 is provided for 10 high schools to expand courses in FY 2013 -**G**

Skill Center Aerospace Training - \$150,000 is provided for aerospace and manufacturing course equipment and curriculum to two Skills Centers in FY 2013 – **G**

Aerospace Assembler Program - \$300,000 is provided to for startup grants to establish additional Aerospace Assembler programs at 12 high schools in FY 2013 – **G**

PASS Act - Funding for Promoting Actual Student Success Program (PASS) is eliminated in FY 2013; includes funding for the Opportunity Internship Program, the Jobs for America’s Graduates Program, the Building Bridges Program, and College Success Foundation scholarships **(-\$1.5 million)** – **G; S**

American Academy - \$200,000 is provided for the American Academy to provide social support and academic intervention to students who have been suspended or expelled, are pregnant or parenting teens, have dropped out of school, or are significantly at risk of dropping out of school –**H**

Information Technology Academy - Funding is reduced by 20 percent in FY 2013 **(-\$400,000)** – **G**; Funding for FY 2013 is eliminated **(-\$2 million)** - **S**

Career and Technical Education High-Demand Grants - Funding is eliminated for FY 2013 **(-\$977,000)** – **G, S**

Middle-School STEM CTE – Funding for FY 2013 is eliminated **(-\$125,000)** - **S**

CTSOs - \$100,000 is provided for statewide supervision activities for CTE student leadership organizations - **H**

Foster Care Outcomes - \$128,000 is provided pursuant to SHB 2254 (foster care outcomes) to report on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth –**H**

State Board for Community and Technical Colleges

Service Reduction: funding reduced in FY 2013 **(-\$75,319,000)** – **G**

STEM Degree Production - \$2 million is provided for educational opportunities in science, technology, engineering and math - **H**

Workforce Training/Aerospace - \$131,000 is provided for the implementation of 2SHB 2156 (workforce training/aerospace) - **H**

Student Achievement Council

Transfers - \$340,033,000 from the Office of Student Financial Assistance and **\$3,369** from the Council for Higher Education - **H, S**

Leadership 1000 - \$1 million is provided for the Leadership 1000 Scholarship Program. This program matches private donors with selected economically disadvantaged students who would otherwise be unable to attend college after depleting all other sources of financial aid - **H**

Office of Student Financial Assistance

Work Study Program - suspended in FY 2013 **(-\$8,086,000)** – **G**

Employment Security Department

Worker Training Study - \$20,000 in federal dollars are provided to increase the amount provided for the initial review and evaluation of the training benefits program – **H,**

Baccalaureate Institutions:

University of Washington

Aerospace Innovation Center - \$1.5 million is provided under SSB 5982 (aerospace technology center) for a new Center of Aerospace Technology Innovation at the University of Washington and Washington State University – **H, S**

Evergreen State College

WSIPP State Need Grant Study - \$100,000 is provided for the Washington State Institute for Public Policy to conduct a longitudinal study of the State Need Grant program to determine to what extent this program has increased access and degree attainment for low-income students –**H**

STEM Degree Production – H

University of Washington: \$3.8 million is provided for expansion in engineering enrollments, including computer science

Washington State University: \$3.8 million is provided for expansion in engineering enrollments, including computer science and 30 additional FTEs in the mechanical engineering program located at Olympic College.

Eastern Washington University: \$1.209 million for expansion of STEM enrollments

Central Washington University: \$1.125 million for expansion of STEM enrollments

Evergreen State College: \$639,000 for expansion of STEM enrollments

Western Washington University: \$1.427 million for expansion of STEM enrollments

Department of Commerce

Innovation Research Teams (STARS) - eliminated in FY 2013 (**-\$2,324,000**) – **G**

Economic Development Commission – funding is reduced (**-\$172,000**) – **G**

Associate Development Organizations - Requires competitive process for local economic development organizations and reduces state funding (**-\$2,567,000**) – **G**

Evergreen Jobs – funding is reduced by 10 percent (**-\$37,000**) – **G, H**

State Energy Policy Unit- reduce by 10 percent (**-\$112,000**) – **G, H**; Funding for the unit is eliminated (**-\$1,118,000**) - **S**

Department of Ecology

WA Conservation Corps - Reduces general fund state spending for the WA Conservation Corps by 50 percent (**-\$550,000**) – **S**

WORKFORCE-RELATED BILLS PASSED IN 2012 LEGISLATIVE SESSION

Youth-Related Bills

SHB 2254 – Foster Care Education - Prime Sponsor – Rep. Kagi

The Passport to College Promise program expiration date is extended to 2022. The bill adds a program purpose to the Passport program to improve high school graduation outcomes of foster youth.

Enrollment for the Washington College Bound Scholarship program is changed to automatically enroll foster care youth in the program with no action required by the student or the student's family. Eligibility is altered for the College Bound Scholarship program for students in dependent care. They must be dependent and in grades 7 through 12, or under 21 and not have graduated from high school to be eligible for the program.

Various requirements for the Department of Social and Health Services, higher education institutions, school districts, and other partners related to coordination, data-sharing, communication, support services, and educational outcomes for foster youth are revised.

Adult-Related Bills

SHB 2483 – Office of Student Achievement Council – Prime Sponsor – Rep. Seaquist; By Request of the Governor

The bill creates the Student Achievement Council (Council) as a state agency with 9 voting members. The bill had included a Workforce Board representative as a member, but a Senate floor amendment removed the Workforce Board representative from the Council. The Council members include five citizen members appointed by the Governor with the consent of the Senate, one of whom must be a student; a representative of the public baccalaureate institutions; a representative of the community and technical college system; a representative of the K-12 system selected by the Office of the Superintendent of Public Instruction (OSPI) in consultation with the Department of Early Learning and the State Board of Education (SBE) who must excuse himself or herself from voting on matters pertaining primarily to institutions of higher education; and a representative of an independent, nonprofit higher education who is to excuse him or herself from matters that pertain primarily to public institutions.

The Executive Director of the Council is appointed by the Governor who chooses from a list of names provided by the Council. The Governor, with the approval of the Council, may dismiss the Executive Director. The Council may dismiss the Executive Director.

The Council must propose educational attainment goals and priorities aligned with the state's biennial budget and policy cycles. The goals must address the needs of Washington residents to reach higher levels of educational attainment and Washington's workforce needs for certificates and degrees in particular fields of study.

The mission and duties for the Council include: proposing statewide goals and priorities for higher education; tracking progress; conducting research and analysis; identifying transition issues and solutions, administering financial aid; protecting higher education consumers; and advocating for higher education.

The Council is required to complete a strategic action plan every two years with the first due by December 1, 2012. The Council is also required to create a 10-year roadmap for the higher education system, outlining specific components of the roadmap, with the first due by

December 1, 2013, and updated every two years.

The Council is required to collaborate with education and higher education agencies and boards, and higher education institutions. The Council is required to link the work of OSPI, the SBCTC, the SBE, the Professional Educator Standards Board (PESB), the Workforce Board, public baccalaureate institutions, and independent schools and colleges; and take a leading role in higher education research and analysis.

A Joint Committee on Higher Education is established to review the work of the Council. The Office of Student Financial Assistance is established within the Council. The Council is charged with directing the work of the Office of Financial Assistance which administers state and federal financial aid programs.

The Council must use the data and analysis produced by the Education Research and Data Center (ERDC) at the Office of Financial Management in developing policy recommendations and setting goals.

System design duties of the Higher Education Coordinating Board (HECB) are transferred to the Council or to another entity and certain duties of the HECB primarily related to regulatory functions are eliminated in the bill.

SSB 6121 Financial Aid Counseling Curriculum – Prime Sponsor – Sen. Frockt

The Office of Student Financial Assistance must provide a financial aid counseling curriculum to all higher education institutions participating in the State Need Grant (SNG) program. The curriculum must be available via a website.

Higher education institutions must take reasonable steps to ensure that each SNG recipient receives the financial aid counseling curriculum information by referencing or linking to the website on the Conditions of Award statement provided to each recipient.

ESB 6141 – Life-Long Learning – Prime Sponsor – Sen. Kilmer

The Lifelong Learning Program is established at the Workforce Board to allow employees to create Lifelong Learning Accounts (LiLAs). The program is voluntary for employers and employees. The Workforce Board may partner with financial institutions and nonprofits to develop operating procedures, ensure adequate marketing, and coordinate career counseling services.

The Workforce Board may work with financial institutions to encourage their full engagement in activities, such as management of accounts and the provision of financial literacy training, that make the program successful. The Board may also develop program policies and system options.

SB 6289 – Self-Employment Training – Prime Sponsor – Sen. Rolfes

The Employment Security Department (ESD) is required to inform all individuals eligible for unemployment benefits of the availability of self-employment assistance and entrepreneurial training programs and of the training provisions which would allow them to pursue commissioner approved training.

Individuals who are eligible for services under the federal Workforce Investment Act (WIA), must be provided the opportunity to enroll in self-employment assistance or entrepreneurial training programs to prepare them for self-employment on the same basis as they are provided the opportunity to enroll in other training programs funded under WIA.

The ESD is directed to work with local workforce development councils to facilitate entrepreneurial training. Local workforce development councils must notify individuals of the availability of self-employment and entrepreneurial training and develop a plan for providing such training at a rate equal to demand or the rate of self-employment within their service area.

Industry-Related Bills

2SHB 2156 - Coordination & Evaluation of Aerospace Training - Prime Sponsor – Rep. Kenney (By Request of the Governor)

The State Board for Community and Technical Colleges (SBCTC) is required to facilitate coordination and alignment of aerospace training programs to the maximum extent possible. Coordination and alignment must include, but is not limited to, the following: 1) providing information about aerospace training programs; 2) providing information about grants and partnership opportunities; 3) providing coordination for professional development for faculty and other education and training providers; 4) evaluating certain programs annually for completion and job placement results; and 5) making budget recommendations to the Governor and the Legislature on aerospace training programs.

The SBCTC is required to establish the Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee (Advisory Committee). This Advisory Committee must consist of 11 to 15 members. A majority of members, including the chair, must represent industry. At least two members must represent labor. Other members must be education and training providers, including directors of long-term training, short-term training, and apprenticeship programs. The Advisory Committee is required to: 1) provide direction for a skills gap analysis produced with the Workforce Board; 2) establish goals for students served, program completion rates, and employment rates; 3) coordinate and disseminate industry advice for training programs; and 4) recommend training programs for review by the Workforce Board in coordination with the SBCTC.

The Workforce Board, with the SBCTC, is required to annually evaluate training program recommended for review. These evaluations must include outcome results for employers and persons receiving training. The Workforce Board is also required to conduct and complete analyses of the training system, including net impacts, cost-benefit analyses, and outcome results every four years.

The Aerospace Training Student Loan Program is made available to students enrolled in aerospace industry courses offered by Renton Technical College.

HB 2482 – Innovation Partnership Zones – Prime Sponsor – Rep. Kenney

Innovation Partnership Zones (IPZ) are required to be part of an industry cluster, which is defined as a geographic concentration of interconnected companies in a single industry. The Department of Commerce must provide information and options to applicants that do not meet all the criteria for IPZ designation. Research, testing, training, and incubation facilities in IPZs are included in the types of public facilities eligible for Community Economic Revitalization Board financing. The allowable uses of rural county sales and use tax proceeds for public facilities serving economic development purposes are expanded to include research, testing, training, and incubation facilities in IPZs.

SHB 2673 – Transportation Workforce – Prime Sponsor – Rep. Clibborn

The bill requires that the 1/2 of 1 percent of the funds apportioned to the state under the federal Surface Transportation Program and the Highway Bridge Replacement and Rehabilitation Program be expended to increase diversity in the highway construction workforce. The Department of Transportation (DOT) is required to coordinate with the Apprenticeship and Training Council to provide programs, services, and/or support. The DOT is required to submit an annual report on the program activities

SSB 5982 – Joint Center for Aerospace Technology Innovation – Prime Sponsor – Sen. Kastama (By Request of the Governor)

The Joint Center for Aerospace Technology Innovation is created to pursue joint industry-university research that can be used in aerospace firms, enhance the education of engineering students, and work with the aerospace industry to identify research needs and opportunities to transfer off-the-shelf technologies. The center will operate under the joint authority of the University of Washington and Washington State University. All baccalaureate institutions will have access to the Center in order to meet aerospace industry needs.

The Center will have a Board of Directors appointed by the Governor. The Board is to develop an operating plan and to provide a biennial report to the Legislature and the Governor. The Center may solicit funds from a variety of sources to carry out its obligations.

ESSB 6355 – Associate Development Organizations – Prime Sponsor – Sen. Rolfes

Associate Development Organizations (ADOs) are required to meet and share best practices with each other at least twice annually. Data and reporting requirements are added for (ADOs), the Washington Economic Development Commission, and the Department of Commerce. ADOs are required to provide additional business retention and expansion services.

SSB 6371 – Customized Training Program – Prime Sponsor – Sen. Shin

Extends the program expiration date to July 1, 2017 and extends the expiration of the business and occupation tax to 2021.

WORKFORCE-RELATED BILLS FAILED TO PASS IN 2012 LEGISLATIVE SESSION

Youth-Related Bills

2SHB 2170 – Career Pathways Act – Prime Sponsor – Rep. Probst

HB 2170 requires the provision of information about multiple career pathways, employment prospects, and earnings; development of programs of study; identification of online career exploration tools and development of an online mentor program; designation of career exploration partnership zones; and inclusion of career and technical education in basic education. The bill also encourages the use of career pathway options in guidance and planning programs; modifies compulsory coursework and High School and Beyond plans; and encourages career counseling at institutions of higher education.

HB 2411 – High School Graduation Requirements – Prime Sponsor – Rep. Haigh

The bill specifies 18 course/credit requirements for graduation beginning with the graduating class of 2016; removes provisions requiring the SBE to submit graduation requirement changes to the Legislature for review, and requiring the Legislature to authorize and fund such changes before they take effect; and changes the definition of Basic Education from an opportunity for students to complete 24 credits for graduation, to an equitable opportunity for all students to complete the statutory graduation requirements.

SHB 2538 –Culminating Project Exemptions – Prime Sponsor – Rep. Santos; By Request of the Governor

The bill limits the frequency of fiscal and performance audits on school districts when no findings of impropriety were found for the three-year period immediately preceding the audit period. Notification dates were revised for nonrenewal of school employee contracts to the later of May 15 or 30 days after enactment of the appropriations act.

Adult-Related Bills

SHB 1650 – State Need Grant – Part-Time – Prime Sponsor: Rep. Hasegawa

The pilot status of the program allowing part-time students to be eligible for the Student Need Grant (SNG) program and the expiration date are removed allowing students who are enrolled or accepted for enrollment for at least three quarter credits to be eligible for the SNG.

HB 2258 – Higher Education Web Advising – Prime Sponsor – Rep. Zeiger

The bill requires the Higher Education Coordinating Board or its successor agency, to establish and maintain a statewide Online Transfer and Student Advising system.

HB 2292 - Aerospace Training – Renton CC - Prime Sponsor – Rep. Maxwell

The bill makes the Aerospace Training Loan Program available to students in approved Renton Technical College aerospace programs. The bill died, but the language was added to 2SHB 2156.

HB 2436 – Student Advising – Prime Sponsor – Rep. Haler

Public institutions of higher education are required to provide academic advising to students at least once per quarter and when a student has completed 75 percent of the requirements needed to obtain his or her degree or certificate.

SHB 2503 – Early Registration for Veterans – Prime Sponsor – Rep. Hansen

Institutions of higher education that offer an early course registration period for any segment of the student population are required to have a process in place to offer early course registration to students who are eligible veterans or national guard members.

2SHB 2717 – Innovations in Higher Education – Prime Sponsor – Rep. Seaquist

The bill encourages the State Board for Community and Technical Colleges to charter a consortium of volunteer community and technical colleges to design innovative approaches to rapidly and substantially increase the cost-effective delivery of developmental and remedial education.

The State Board for Community and Technical Colleges is directed to conduct and report on a survey of relevant innovations by any of the colleges and to propose a comprehensive plan for implementing further, system-wide innovations designed to rapidly and substantially increase the cost-effectiveness of remedial and developmental education instruction for the full range of students seeking access to college and university education.

SSB 6115 – Health Care Workforce – Prime Sponsor – Sen. Keiser

The Workforce Board is required to convene a health care personnel shortage task force to review issues related to workforce issues in healthcare professions. The University of Washington School of Nursing is required to consult with the Task Force when making changes to degree requirements or proposing to eliminate or add degree offerings. Fire Departments may develop a Community Assistance Referral and Education Services program (CARES program) to provide community outreach and assistance in order to advance injury and illness prevention within their communities.

SSB 6228 – Employment Status Discrimination – Prime Sponsor – Sen. Keiser

The bill prohibits an employer from knowingly or purposefully publishing any provision stating that qualifications for a job include current employment, or that the employer will not consider or review applications from an unemployed person. Employers who violate the statute are subject to a civil monetary penalty.

ESSB 6392 – Farm Internship Program – Prime Sponsor – Sen. Ranker

The farm internship pilot project is re-authorized until 2017, and participation is allowed by small farms in King, Whatcom, Kitsap, Pierce, Jefferson, Spokane, Yakima, Chelan, Grant, Kittitas, Lincoln, Okanogan, and Thurston counties, in addition to San Juan and Skagit counties.

Industry-Related Bills

SSB 5808 – Innovative Industries – Prime Sponsor – Sen. Kastama

The Washington Innovative Industries Enabling Act is enacted to: 1) Accelerate the growth of industry clusters; 2) Strengthen industry collaboration in innovation; 3) Create jobs; 4) Enhance public revenues; and 5) Further the continued commercialization and manufacture of innovative products in the state and the promotion of the state's products and services nationally and globally.

The innovation industry program is established in the Department of Commerce. A business and occupation tax credit is provided for contributions to certain industry development organizations.

SSB 6547 – Microenterprise Development Program – Prime Sponsor – Sen. Pridemore

The Department of Commerce is directed to provide organizational support to a statewide microenterprise association to the extent funds are appropriated for such support. JLARC's obligation to do an evaluation by January 1, 2012 is removed.

Workforce Development System Bills

HB 2171 – Middle Income Jobs – Prime Sponsor – Rep. Green

Six state agencies are required to adopt the goal of increasing the percentage of households in the middle-income bracket, and to develop and submit strategies for reaching this goal to the Workforce Board and the OFM. The Workforce Board is required to review and rate agency submissions, and report the ratings to the Legislature. Each Workforce Development Council is required to submit an area strategic plan with strategies to increase the percentage of households living in the middle-income bracket to the Workforce Board.

E2SHB 2265 – Washington Works Payments – Prime Sponsor – Rep. Probst

Office of Financial Management (OFM) is required to develop a recommended plan for measuring and rewarding performance of four-year institutions, report on the recommended plan by December 1, 2012, and annually measure performance.

HB 2348 – Workforce Development System – Prime Sponsor – Rep. Reykdal

All powers, functions, and duties of the Employment Security Department's WorkSource Standards and Integration Division pertaining to the administration of title I-B of the workforce investment act is transferred to the Workforce Board.

SB 6402 – Elimination of the Workforce Board – Prime Sponsor – Sen. Tom

The Workforce Board is abolished and its duties transferred to other bodies.

SB 6541 – Layoff Aversion – Prime Sponsor – Sen. Chase

The Workforce Board is required to evaluate the use of Workforce Investment Act (WIA) funds for layoff aversion and collaborate with the Employment Security Department (ESD) in determining the best practices in the use of the funds for such purposes. ESD is required to detail for Workforce Development Councils the opportunities to use, as well as best practices in using, WIA funds for layoff aversion through rapid response and other mechanisms.