

Funding issue waylays job retraining bill

Republicans point out that diverting money calls for supermajority

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The state Senate has tabled a bill that would tap the state's unemployment insurance trust fund to increase job retraining for Washington's growing cadre of unemployed workers. The action came after Republicans argued successfully that it would create a new tax and thus require a two-thirds vote.

Senate Bill 5809, as revised in the Ways and Means Committee,

would reduce the amount employers pay into the unemployment compensation fund by 0.1 percent — about \$56 million — and divert that revenue to a new fund for work force training grants.

The bill, which was debated Saturday on the Senate floor, is sponsored by Sen. Jim Hargrove, a Democrat who represents the Olympic Peninsula, and co-sponsored by Sen. Craig Pridemore, D-Vancouver.

The measure would not increase the rate of employers' contributions to the unemployment trust fund or deplete the trust fund. Nevertheless, it is opposed by the Association of Washington Business, and the state Employ-

ment Security Department also has raised concerns about diverting unemployment trust money to other purposes.

The Washington State Labor Council supports the bill, as does the State Board for Community and Technical Colleges.

Clark College President Bob Knight has personally called Sen. Joe Zarelli, R-Ridgefield, and Sen. Don Benton, R-Vancouver, to ask them to support the bill.

Community colleges statewide are bracing for an increase of 3,000 to 6,000 students in worker retraining programs over the next fiscal year, even as they face a proposed \$160 million cut in state funding.

Clark College saw a 31 percent increase in worker retraining in 2008, and the numbers continue to grow, said Dannette Randolph, the college's director of work force education and economic development.

"We are seeing people with degrees and certificates laid off from places like SEH and Hewlett-Packard," said Kate Jacky, the college's worker retraining coordinator. "People have also been laid off from retail and other jobs."

As of the beginning of spring quarter, the college has spent as much on worker retraining as during the entire 2007-2008 academic year, Randolph said. Students need that funding to start their training

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programs, she noted, because unemployment insurance simply isn't enough.

Training programs now serve some unemployed workers who are attending approved full-time vocational training programs.

The competitive grants proposed in the bill would go to work force development councils and community colleges to serve people, whether or not they have exhausted their unemployment

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benefits, who are enrolled in high-demand programs, such as those that train health care workers and energy efficiency specialists.

The grants, to be administered by the Employment Security Department, could be used for career counseling, increased enrollment, financial aid and job development referral services.

To offset the impact to the state's unemployment insurance trust fund, the bill would reduce the additional \$45-a-week unemployment benefit that the Legislature already has approved and that Gov. Chris Gregoire has signed into law as part of her stimulus package.

Under the Senate measure, the weekly increase would shrink \$14, to \$31, effective April 1.

That reduction would be more than offset by the \$25-a-week increase in unemployment benefits that Congress approved as part of the federal stimulus package last month.

Opponents of the bill argued that it is inappropriate, if not illegal, to use that money to

support higher education institutions.

Rep. Janea Holmquist, R-Moses Lake, said in floor debate Saturday that the bill would create a new tax on employers and therefore required a two-thirds vote of the Senate under Initiative 960, approved by voters in 2007.

"I-970 has a very broad definition of a tax," she said. "This bill raises revenue through a new tax on employers and deposits it into a separate account within the administrative contingency fund."

Democratic Lt. Gov. Brad Owen, who presides over the Senate, agreed with Holmquist that the bill would constitute a new tax and required a supermajority to pass.

Sen. Jeanne Kohl-Welles, D-Seattle, chair of the Senate Labor, Commerce and Consumer Protection Committee, said she won't give up on passing a bill this session to make Washington's workers, businesses and economy more competitive.

"There has to be balance between helping our businesses and helping our workers," she said. "Both this bill to retrain our work force and the bill we brought forward to lower business taxes are still very much alive."