

UNEMPLOYMENT INSURANCE TRAINING BENEFITS

PROPOSED SCOPE AND OBJECTIVES



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STATE OF WASHINGTON
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REVIEW COMMITTEE

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Why a JLARC Study of the Training Benefits Program?

With passage of EHB 1091 (2011), the Legislature directed JLARC to evaluate the effectiveness and efficiency of the Employment Security Department's (ESD) Training Benefits Program.

Training Benefits Provides Income Support to Unemployed Workers Who Enroll in Training

The Training Benefits Program provides extended unemployment payments for certain unemployed workers who need training for a new career. The training must be for a high-demand occupation. During training, the requirement that participants look for work is waived. The Legislature created the program in 2000.

The program does not pay directly for the costs of training. If needed, participants must find other sources to pay for training, such as federal training programs, Pell Grants, loans, or personal resources.

The Training Benefits Program is administered by the Employment Security Department and is funded through employer payroll taxes. Expenditures totaled \$23 million in Fiscal Year 2014, including \$1 million to administer the program.

Legislative Changes in 2009 and 2011 Expanded Access to the Program

Originally, the Legislature targeted the program to dislocated workers, who were workers terminated from an occupation in decline. In 2009, the Legislature expanded eligibility for training benefits to also include unemployed workers who are low-income, disabled due to injury or illness, or served in the military or National Guard.

A 2011 law removed certain deadlines for applying for the program and broadened the definition of dislocated worker.

Study Scope

As directed by statute, JLARC will assess whether the Training Benefits Program is complying with legislative intent, whether the program is effective in re-employing people in high-demand occupations, and whether the program is operating in an efficient manner.

JLARC's study has three components.

- One component will examine the implementation and operation of the program including how claimants apply for the program and how ESD determines eligibility.
- Another component will focus on effectiveness. ESD is performing analysis of whether the program has helped people get jobs and earn higher wages compared to a group of similar people who did not participate in the program. JLARC has contracted with an independent expert to review ESD's analysis.
- The third component will review data on program participants, including their prior occupation and the type of training they take.

Study Objectives

The study will address the following five questions:

- 1) Has the program been implemented according to legislative intent?
- 2) Are the parties that play a role in the program working together effectively?
- 3) Are the administrative costs of the program consistent with federal guidelines and comparable to similar programs in other states?
- 4) Are people getting jobs and earning higher wages compared to people who did not participate in the program?
- 5) What are characteristics and occupations of training benefit participants, and what types of jobs are they getting after training?

Timeframe for the Study

Staff will present its preliminary and final reports at the JLARC meetings in December 2015 and January 2016.

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