

Unemployment Insurance Training Benefits Program

2021 JLARC STUDY

The Legislature directed JLARC to review Program compliance with legislative intent, effectiveness, and efficiency every five years. This is JLARC's second report.

The Employment Security Department (ESD) administers the Training Benefits Program (Program).

Provides up to 26 additional weeks of unemployment benefits to participants while they train for high demand occupations. Participants must enroll in an approved training program and maintain satisfactory progress.

PROGRAM AVERAGES FOR FY 2016-19

- 1,480 applications approved per year.
- \$10.4M paid to participants per year.
- \$0.95M administration costs per year.

ESD complies with legal requirements. It implemented most 2016 JLARC recommendations to improve Training Benefits Program administration.

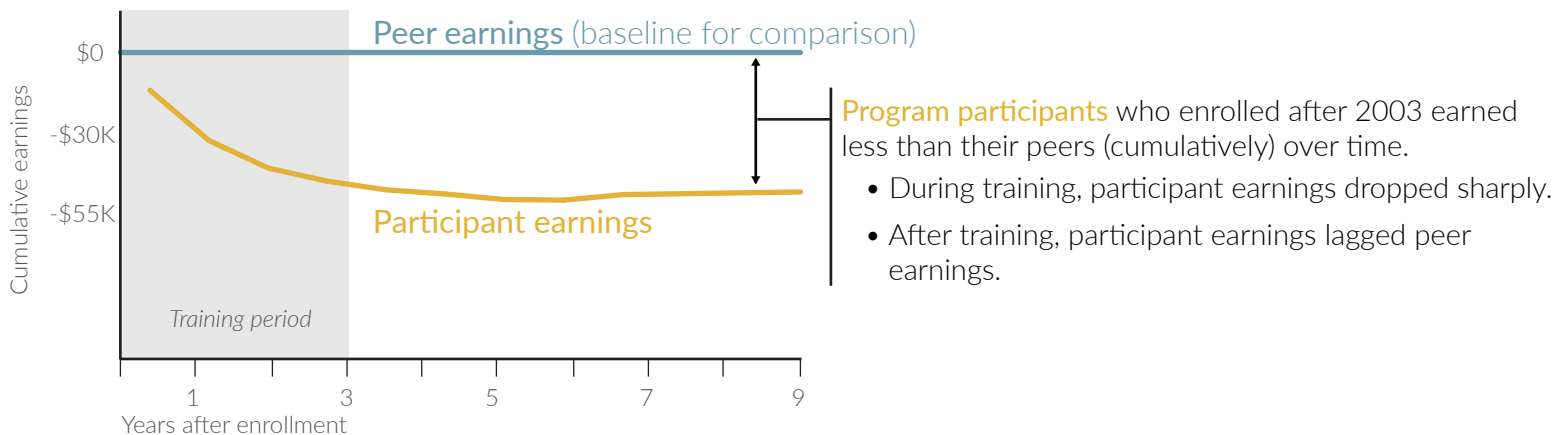
ESD has procedures and technology in place to ensure that staff apply the statutory eligibility criteria correctly and consistently.

Following JLARC's 2016 recommendations, ESD has established quality assurance review and improved its guidance to partners. It has taken steps to improve the application and decision timeliness, but more remains to be done.

Despite program improvements, the Training Benefits Program does not enhance participants' earning power

The Legislature's stated intent for the Program includes enhancing the earning power of participants.

ESD conducted a net impact analysis that found the program caused participants to earn an average of **\$3,621 less per year** than their nonparticipating peers. JLARC staff hired an independent economist who verified this result.



Younger and low-income participants were more likely to experience positive earnings outcomes. For example, 54% of participants under 36 earned more than their peers over time. In contrast, 10% of participants over 46 earned more than their peers over time.

LEGISLATIVE AUDITOR'S RECOMMENDATION

Because the Training Benefits Program is not meeting the Legislature's stated objective to enhance participants' earning power, the Legislature should consider eliminating or modifying the Program.

The complete report is on the JLARC web site: www.leg.wa.gov/jlarc

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