

Agency Request Legislation

Agency Name:	Workforce Training and Education Coordinating Board (Workforce Board)
Agency Contact & Phone Number:	Madeleine Thompson (360) 753-5653
Request Title:	Clarifying Workforce and Economic Development Terms
Z-Draft Number:	Z-0679.2
Previously submitted? If so, indicate year.	No

This complete package for bills includes **three** paper copies of the following nine items.

Checklist

X	A completed checklist for each proposal.
X	A statement of need for the bill and/or the problem it is designed to correct in language that is understandable to non-technicians.
X	A summary of the major provisions of the bill and their impact on current law.
X	A thorough list of all other government agencies affected by the bill, a summary of their positions, and each agency's representative who may be contacted on the issue. If no other government agency is affected, please indicate.
X	A thorough list of all stakeholders and stakeholder groups affected by the bill, a summary of each stakeholder position , and the name and phone number of each person contacted.
X	Names, titles, and phone numbers of staff responsible for policy questions and the assistant attorney general responsible for legal questions.
X	A Code Reviser's draft of the proposed bill (Z-drafts only).
X	A fiscal note, even if there is no fiscal impact. When your proposed bill has a fiscal impact on other agencies, including local government, those agencies' fiscal notes must be included in your package . Please note that fiscal impacts associated with agency request legislation must also be included in a decision package in the agency's supplemental or biennial budget request.
X (n/a)	A copy of the agency's budget decision package must accompany the corresponding agency request legislation package.

1. Statement of Need:

The term “high demand” has become very popular in recent years, and has been interpreted in different ways creating confusion among stakeholders. Some economic development terms related to “high demand”—i.e., “sector” and “industry cluster”—have also been used inconsistently, including in statute. To address this issue the Governor’s office convened a workgroup of agencies to develop common definitions. The work group included the Workforce Board, the State Board for Community and Technical Colleges; the Department of Community, Trade, and Economic Development; the Employment Security Department; the Department of Labor and Industries; the Higher Education Coordinating Board; and the Council of Presidents.

The Common Definitions for terms related to “high demand” are:

High Employer Demand Program of Study: Undergraduate or graduate certificate or degree program in which the number of students prepared for employment per year (from in-state institutions) is substantially less than the number of projected job openings per year in that field—statewide, or in a sub-state region.

High Demand Occupation: An occupation with a substantial number of current or projected employment opportunities.

High Student Demand Program of Study: Undergraduate or graduate certificate or degree program in which student demand substantially exceeds program capacity.

Sector: A group of industries with similar business processes, products, or services like construction or health services; formerly categorized by the Standard Industrial Classification (SIC) system, now categorized by the North American Industry Classification System (NAICS).

Industry Cluster: A geographic concentration of interdependent competitive firms that do business with each other, including firms that sell inside and outside of the geographic region as well as support firms that supply new materials, components, and business services, and other institutions including government and education.

Targeted Industries or Clusters: Industries and industry clusters that are identified based on a strategic economic development consideration or other public concerns.

The Workforce Board worked with the group to review statutes and this legislative proposal is the result of that review. The purpose of the legislation is to create clarity and consistency in the use of terminology, without changing policy.

The review found a number of places in statute where clarification is needed. These are listed below under the section on “Main Provisions.” One Title that is not included is Title 50. The review found that providing a statutory definition of “high demand occupation” is recommended in statutes pertaining to the training benefits program under the Employment Security Department (see RCW 50.22.130, RCW 50.22.140, RCW 50.22.150). The Commissioner of the Employment Security Department, however, advised the Workforce Board that the Employment Security Department not wish to open this statute at this time. Therefore changes to Title 50 are not included in this bill proposal. The Commissioner indicated that the Employment Security Department will support changes to Title 50 in the 2009 session.

2. Summary of Main Provisions:

The proposed statutory amendments would create clarity and consistency in workforce and economic development terms by:

1. Replacing “high demand field” with “high demand occupation” in a statute for WorkFirst “work activity” (see RCW 74.08A.250).
2. Providing a statutory definition for “sector” in a statute under the Department of Community, Trade and Economic Development and replace “cluster” with “sector” where “sector” is the intended meaning (see RCW 43.330.090)
3. Amending a statutory definition for “industry cluster” to include other entities such as government and education, consistent with the common definitions. This statute is under the Department of Community, Trade and Economic Development (see RCW 43.330.090)
4. Providing a statutory definition of “high employer demand program of study” in the statute pertaining to the Opportunity Grant program under the State Board for Community and Technical Colleges.
5. Replacing “high demand programs” with “high employer demand programs of study” in the state statute pertaining to the pilot program to improve services to customers of vocational rehabilitation under the Department of Labor and Industries (see RCW 51.32.095).

Agencies Affected:

Workforce Training and Education Coordinating Board
Department of Community, Trade and Economic Development
Department of Labor and Industries
Employment Security Department
Higher Education Coordinating Board
State Board for Community and Technical Colleges

<u>Stakeholder Organization</u>	<u>Position</u>	<u>Name</u>	<u>Phone</u>
Community, Trade and Economic Development	Support	Julie Anderson	360-725-4029
State Board for Community & Technical Colleges	Support	Jim Crabbe	360-704-4333
Employment Security Department	Support	Jill Will	360-902-9457
Higher Education Coordinating Board	Support	John Lederer	360-753-7822
Department of Labor and Industries	Concerns	Vickie Kennedy	360-902-6313

Summary of Agency and Stakeholder Positions

Workforce Training and Education Coordinating Board

The Workforce Board approved this legislative proposal at their September 26 meeting. Board members believe this proposal is consistent with the Board’s mission. They believe creating consistency in the use of workforce and economic development terms, including in statute, is important because key Board initiatives center on these terms. For example, funding for education programs that are in high employer demand has been a key initiative of the Board since 1999. The Board has also implemented strategies to enhance industry clusters and the development of Washington’s economy. The consistent use of these terms helps to ensure all agencies and stakeholders are working towards the same goals.

State Board for Community & Technical Colleges

Staff from the State Board for Community and Technical Colleges worked with the Governor’s work group to create the common definitions related to high demand and industry concepts. We also worked with the Workforce Board staff to review terms that appeared in statute and agree with the draft changes to edit statutes such that common terms are used as much as possible. By using the same set of common definitions, workforce and economic development partners at state and regional levels can communicate and plan more efficiently. This set of common terminology creates consensus on technical terminology and positions us to move forward the agenda for meeting the skill requirements for the Next Washington.

Higher Education Coordinating Board

The Higher Education Coordinating Board has been concerned about areas of mis-alignment between education, workforce and economic development programs supporting critical industries and career pathway development in our state. As a result, we were an eager participant in the Governor’s common definitions work team. The team involved a cross-section of the key agencies and stakeholders engaged in this policy area at the state level. After considerable effort, we developed draft definitions which we validated with local stakeholders. The Higher Education Coordinating Board believes the common definitions will help improve alignment of existing programs across agencies and prevent future mis-alignment as new programs and initiatives are developed. We are pledged to use the definitions whenever appropriate, and we support their use in statute and the Workforce Board’s leadership role in this effort.

Employment Security Department

The Employment Security Department supports the common definitions and proposed bill as written. They do not wish to open Title 50 at this time but will support inserting the common definitions of “High Demand Occupation” in Title 50 in the 2009 session.

Community, Trade and Economic Development

The Department of Community, Trade, and Economic Development participated on the Governor’s interagency work group that developed the common definitions and is supportive of the changes in statute. The Department of Community, Trade and Economic Development believes the will add greater clarity for their own work and for their stakeholders.

Department of Labor and Industries

Department of Labor and Industries representative, Liz Smith, was a member of the interagency work group that created the common definitions. They believe the change of wording in the statute pertaining to vocational rehabilitation services, specifically, “high demand programs,” fits with the intent but are concerned that reopening statute to create technical changes could lead to other substantive changes.

Other Stakeholders Affected:

Council of Presidents Support Cindy Morana 360-753-5107

Council of Presidents

While not all presidents of public baccalaureate institutions have been reached to confirm their support, the Council of Presidents staff participated in the development of the common definitions and believed the changes added clarity and consistency to statute.

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Code Reviser Draft: See enclosed Z-0679.2

Fiscal Note: See enclosed fiscal note indicating there is no fiscal impact.