
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0173.3/09 3rd draft

ATTY/TYPIST: SCG:cro

BRIEF DESCRIPTION: Providing for coordination of workforce and economic development.

1 AN ACT Relating to coordinating workforce and economic development;
2 amending RCW 43.330.090, 50.38.050, 28B.50.030, 28C.18.010, 28C.18.060,
3 28C.18.080, 43.162.020, and 43.330.080; adding a new section to chapter
4 28B.50 RCW; adding a new section to chapter 28C.18 RCW; and creating a
5 new section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that education and
8 training is the most important investment that the state can make in
9 its economic future. By preparing Washington residents with the skills
10 and abilities that employers need, the state can help make businesses
11 more competitive and provide a growing standard of living. In order to
12 take full advantage of workforce and economic development programs and
13 services, it is critical that these efforts at the state and local
14 levels are well-coordinated. It is the purpose of this act to provide
15 a framework for this coordination, including the roles of the workforce
16 development councils and associate development organizations.

17 The legislature further finds that focusing on industry clusters is
18 a valuable organizing principle for coordinating workforce and economic
19 development. Public investments in industry clusters are more likely

1 to pay off than investments in other economic sectors, since clusters
2 have already demonstrated their success in the private market. While
3 the state and local areas have pieces of a cluster-based strategy in
4 place, there are inconsistencies and gaps in current programs that make
5 them less than a coherent whole. By fixing these inconsistencies and
6 closing these gaps, this framework will improve the coordination of
7 workforce and economic development and enable the state to better serve
8 the needs of workers and employers.

9 **Sec. 2.** RCW 43.330.090 and 2007 c 228 s 201 are each amended to
10 read as follows:

11 (1) The department shall work with private sector organizations,
12 industry and ~~((cluster))~~ sector associations, federal agencies, state
13 agencies that use a ~~((cluster-based))~~ sector-based approach to service
14 delivery, local governments, local associate development organizations,
15 and higher education and training institutions in the development of
16 industry ~~((cluster-based))~~ sector-based strategies to diversify the
17 economy, facilitate technology transfer and diffusion, and increase
18 value-added production. The industry ~~((clusters))~~ sectors targeted by
19 the department may include, but are not limited to, aerospace,
20 agriculture, food processing, forest products, marine services, health
21 and biomedical, software, digital and interactive media, transportation
22 and distribution, and microelectronics. The department shall, on a
23 continuing basis, evaluate the potential return to the state from
24 devoting additional resources to an industry ~~((cluster-based))~~ sector-
25 based approach to economic development and identifying and assisting
26 additional ~~((clusters))~~ sectors. ~~((The department shall use~~
27 ~~information gathered in each service delivery region in formulating its~~
28 ~~industry cluster based strategies and shall assist local communities in~~
29 ~~identifying regional industry clusters and developing industry cluster-~~
30 ~~based strategies.))~~

31 (2) The department's sector-based strategies shall include, but not
32 be limited to, cluster-based strategies that focus on assisting
33 regional industry sectors and related firms and institutions that meet
34 the definition of an industry cluster in this section and based on
35 criteria identified by the working group established in this chapter.

36 (3)(a) The department shall promote, market, and encourage growth
37 in the production of films and videos, as well as television

1 commercials within the state; to this end the department is directed to
2 assist in the location of a film and video production studio within the
3 state.

4 (b) The department may, in carrying out its efforts to encourage
5 film and video production in the state, solicit and receive gifts,
6 grants, funds, fees, and endowments, in trust or otherwise, from
7 tribal, local, or other governmental entities, as well as private
8 sources, and may expend the same or any income therefrom for the
9 encouragement of film and video production. All revenue received for
10 such purposes shall be deposited into the film and video promotion
11 account created in RCW 43.330.092.

12 (~~(3)~~) (4) In assisting in the development of regional and
13 statewide industry cluster-based strategies, the department's
14 activities shall include, but are not limited to:

15 (a) Facilitating regional focus group discussions and conducting
16 studies to identify industry clusters, appraise the current information
17 linkages within a cluster, and identify issues of common concern within
18 a cluster;

19 (b) Supporting industry and cluster associations, publications of
20 association and cluster directories, and related efforts to create or
21 expand the activities of industry and cluster associations;

22 (c) Administering a competitive grant program to fund economic
23 development activities designed to further regional cluster growth. In
24 administering the program, the department shall work with an industry
25 cluster advisory committee with equal representation from the economic
26 development commission, the workforce training and education
27 coordinating board, the state board for community and technical
28 colleges, the employment security department, business, and labor.

29 (i) The industry cluster advisory committee shall recommend
30 criteria for evaluating applications for grant funds and recommend
31 applicants for receipt of grant funds. Criteria shall include not
32 duplicating the purpose or efforts of industry skill panels.

33 (ii) Applicants must include organizations from at least two
34 counties and participants from the local business community. Eligible
35 organizations include, but are not limited to, local governments,
36 economic development councils, chambers of commerce, federally
37 recognized Indian tribes, workforce development councils, and
38 educational institutions.

1 (iii) Applications must evidence financial participation of the
2 partner organizations.

3 (iv) Eligible activities include the formation of cluster economic
4 development partnerships, research and analysis of economic development
5 needs of the cluster, the development of a plan to meet the economic
6 development needs of the cluster, and activities to implement the plan.

7 (v) Priority shall be given to applicants (~~(which)~~) that complement
8 industry skill panels and will use the grant funds to build linkages
9 and joint projects(~~(, to develop common resources and common training,~~
10 ~~and to develop common research and development projects or~~
11 ~~facilities))~~).

12 (~~(v)~~) (vi) The maximum amount of a grant is one hundred thousand
13 dollars.

14 (~~(vi)~~) (vii) A maximum of one hundred thousand dollars total can
15 go to King, Pierce, Kitsap, and Snohomish counties combined.

16 (~~(vii)~~) (viii) No more than ten percent of funds received for the
17 grant program may be used by the department for administrative costs.

18 (~~(4)~~) (5) As used in (~~(subsection (3) of this section)~~) this
19 chapter, "industry cluster" means a geographic concentration of
20 (~~(interdependent competitive firms that do business with each other.~~
21 ~~"Industry cluster" also includes firms that sell inside and outside of~~
22 ~~the geographic region as well as support firms that supply raw~~
23 ~~materials, components, and business services)) interconnected companies
24 in a single industry, related businesses in other industries, including
25 suppliers and customers, and associated institutions, including
26 government and education.~~

27 **Sec. 3.** RCW 50.38.050 and 1993 c 62 s 5 are each amended to read
28 as follows:

29 The department shall have the following duties:

30 (1) Oversight and management of a statewide comprehensive labor
31 market and occupational supply and demand information system, including
32 development of a five-year employment forecast for state and labor
33 market areas;

34 (2) Produce local labor market information packages for the state's
35 counties, including special studies and job impact analyses in support
36 of state and local employment, training, education, and job creation

1 programs, especially activities that prevent job loss, reduce
2 unemployment, and create jobs;

3 (3) Coordinate with the office of financial management and the
4 office of the forecast council to improve employment estimates by
5 enhancing data on corporate officers, improving business establishment
6 listings, expanding sample for employment estimates, and developing
7 business entry/exit analysis relevant to the generation of occupational
8 and economic forecasts; (~~and~~)

9 (4) In cooperation with the office of financial management, produce
10 long-term industry and occupational employment forecasts. These
11 forecasts shall be consistent with the official economic and revenue
12 forecast council biennial economic and revenue forecasts; and

13 (5) Analyze labor market and economic data, including the use of
14 input-output models, for the purpose of identifying industry clusters
15 and strategic industry clusters that meet the criteria identified by
16 the working group convened by the economic development commission and
17 the workforce training and education coordinating board under chapter
18 43.330 RCW.

19 **Sec. 4.** RCW 28B.50.030 and 2007 c 277 s 301 are each amended to
20 read as follows:

21 As used in this chapter, unless the context requires otherwise, the
22 term:

23 (1) "System" shall mean the state system of community and technical
24 colleges, which shall be a system of higher education.

25 (2) "Board" shall mean the workforce training and education
26 coordinating board.

27 (3) "College board" shall mean the state board for community and
28 technical colleges created by this chapter.

29 (4) "Director" shall mean the administrative director for the state
30 system of community and technical colleges.

31 (5) "District" shall mean any one of the community and technical
32 college districts created by this chapter.

33 (6) "Board of trustees" shall mean the local community and
34 technical college board of trustees established for each college
35 district within the state.

36 (7) "Occupational education" shall mean that education or training

1 that will prepare a student for employment that does not require a
2 baccalaureate degree, and education and training leading to an applied
3 baccalaureate degree.

4 (8) "K-12 system" shall mean the public school program including
5 kindergarten through the twelfth grade.

6 (9) "Common school board" shall mean a public school district board
7 of directors.

8 (10) "Community college" shall include those higher education
9 institutions that conduct education programs under RCW 28B.50.020.

10 (11) "Technical college" shall include those higher education
11 institutions with the sole mission of conducting occupational
12 education, basic skills, literacy programs, and offering on short
13 notice, when appropriate, programs that meet specific industry needs.
14 The programs of technical colleges shall include, but not be limited
15 to, continuous enrollment, competency-based instruction, industry-
16 experienced faculty, curriculum integrating vocational and basic skills
17 education, and curriculum approved by representatives of employers and
18 labor. For purposes of this chapter, technical colleges shall include
19 Lake Washington Vocational-Technical Institute, Renton Vocational-
20 Technical Institute, Bates Vocational-Technical Institute, Clover Park
21 Vocational Institute, and Bellingham Vocational-Technical Institute.

22 (12) "Adult education" shall mean all education or instruction,
23 including academic, vocational education or training, basic skills and
24 literacy training, and "occupational education" provided by public
25 educational institutions, including common school districts for persons
26 who are eighteen years of age and over or who hold a high school
27 diploma or certificate. However, "adult education" shall not include
28 academic education or instruction for persons under twenty-one years of
29 age who do not hold a high school degree or diploma and who are
30 attending a public high school for the sole purpose of obtaining a high
31 school diploma or certificate, nor shall "adult education" include
32 education or instruction provided by any four year public institution
33 of higher education.

34 (13) "Dislocated forest product worker" shall mean a forest
35 products worker who: (a)(i) Has been terminated or received notice of
36 termination from employment and is unlikely to return to employment in
37 the individual's principal occupation or previous industry because of
38 a diminishing demand for his or her skills in that occupation or

1 industry; or (ii) is self-employed and has been displaced from his or
2 her business because of the diminishing demand for the business'
3 services or goods; and (b) at the time of last separation from
4 employment, resided in or was employed in a rural natural resources
5 impact area.

6 (14) "Forest products worker" shall mean a worker in the forest
7 products industries affected by the reduction of forest fiber
8 enhancement, transportation, or production. The workers included
9 within this definition shall be determined by the employment security
10 department, but shall include workers employed in the industries
11 assigned the major group standard industrial classification codes "24"
12 and "26" and the industries involved in the harvesting and management
13 of logs, transportation of logs and wood products, processing of wood
14 products, and the manufacturing and distribution of wood processing and
15 logging equipment. The commissioner may adopt rules further
16 interpreting these definitions. For the purposes of this subsection,
17 "standard industrial classification code" means the code identified in
18 RCW 50.29.025(3).

19 (15) "Dislocated salmon fishing worker" means a finfish products
20 worker who: (a)(i) Has been terminated or received notice of
21 termination from employment and is unlikely to return to employment in
22 the individual's principal occupation or previous industry because of
23 a diminishing demand for his or her skills in that occupation or
24 industry; or (ii) is self-employed and has been displaced from his or
25 her business because of the diminishing demand for the business's
26 services or goods; and (b) at the time of last separation from
27 employment, resided in or was employed in a rural natural resources
28 impact area.

29 (16) "Salmon fishing worker" means a worker in the finfish industry
30 affected by 1994 or future salmon disasters. The workers included
31 within this definition shall be determined by the employment security
32 department, but shall include workers employed in the industries
33 involved in the commercial and recreational harvesting of finfish
34 including buying and processing finfish. The commissioner may adopt
35 rules further interpreting these definitions.

36 (17) "Rural natural resources impact area" means:
37 (a) A nonmetropolitan county, as defined by the 1990 decennial

1 census, that meets three of the five criteria set forth in subsection
2 (18) of this section;

3 (b) A nonmetropolitan county with a population of less than forty
4 thousand in the 1990 decennial census, that meets two of the five
5 criteria as set forth in subsection (18) of this section; or

6 (c) A nonurbanized area, as defined by the 1990 decennial census,
7 that is located in a metropolitan county that meets three of the five
8 criteria set forth in subsection (18) of this section.

9 (18) For the purposes of designating rural natural resources impact
10 areas, the following criteria shall be considered:

11 (a) A lumber and wood products employment location quotient at or
12 above the state average;

13 (b) A commercial salmon fishing employment location quotient at or
14 above the state average;

15 (c) Projected or actual direct lumber and wood products job losses
16 of one hundred positions or more;

17 (d) Projected or actual direct commercial salmon fishing job losses
18 of one hundred positions or more; and

19 (e) An unemployment rate twenty percent or more above the state
20 average. The counties that meet these criteria shall be determined by
21 the employment security department for the most recent year for which
22 data is available. For the purposes of administration of programs
23 under this chapter, the United States post office five-digit zip code
24 delivery areas will be used to determine residence status for
25 eligibility purposes. For the purpose of this definition, a zip code
26 delivery area of which any part is ten miles or more from an urbanized
27 area is considered nonurbanized. A zip code totally surrounded by zip
28 codes qualifying as nonurbanized under this definition is also
29 considered nonurbanized. The office of financial management shall make
30 available a zip code listing of the areas to all agencies and
31 organizations providing services under this chapter.

32 (19) "Applied baccalaureate degree" means a baccalaureate degree
33 awarded by a college under RCW 28B.50.810 for successful completion of
34 a program of study that is:

35 (a) Specifically designed for individuals who hold an associate of
36 applied science degree, or its equivalent, in order to maximize
37 application of their technical course credits toward the baccalaureate
38 degree; and

1 (b) Based on a curriculum that incorporates both theoretical and
2 applied knowledge and skills in a specific technical field.

3 (20) "Qualified institutions of higher education" means:

4 (a) Washington public community and technical colleges;

5 (b) Private career schools that are members of an accrediting
6 association recognized by rule of the higher education coordinating
7 board for the purposes of chapter 28B.92 RCW; and

8 (c) Washington state apprenticeship and training council-approved
9 apprenticeship programs.

10 (21) "Center of excellence" means a community or technical college
11 designated by the college board as a statewide leader in
12 industry-specific, community and technical college workforce education
13 and training.

14 NEW SECTION. Sec. 5. A new section is added to chapter 28B.50 RCW
15 to read as follows:

16 The college board, in consultation with business, industry, labor,
17 the workforce training and education coordinating board, the department
18 of community, trade, and economic development, the employment security
19 department, and community and technical colleges, shall designate
20 centers of excellence and allocate funds to existing and new centers of
21 excellence based on a competitive basis.

22 Eligible applicants for the program established under this section
23 include community and technical colleges. Priority shall be given to
24 applicants that have an established education and training program
25 serving the targeted industry and that have in their home district or
26 region an industry cluster with the same targeted industry at its core.

27 It is the role of centers of excellence to employ strategies to:
28 Create educational efficiencies; build a diverse, competitive workforce
29 for strategic industries; maintain an institutional reputation for
30 innovation and responsiveness; develop innovative curriculum and means
31 of delivering education and training; act as brokers of information and
32 resources related to community and technical college education and
33 training for a targeted industry; and serve as partners with workforce
34 development councils, associate development organizations, and other
35 workforce and economic development organizations.

36 Examples of strategies include but are not limited to: Sharing
37 curriculum and other instructional resources, to ensure cost savings to

1 the system; delivering collaborative certificate and degree programs;
2 and holding statewide summits, seminars, conferences, and workshops on
3 industry trends and best practices in community and technical college
4 education and training.

5 **Sec. 6.** RCW 28C.18.010 and 2008 c 103 s 2 are each amended to read
6 as follows:

7 Unless the context clearly requires otherwise, the definitions in
8 this section apply throughout this title.

9 (1) "Board" means the workforce training and education coordinating
10 board.

11 (2) "Director" means the director of the workforce training and
12 education coordinating board.

13 (3) "Training system" means programs and courses of secondary
14 vocational education, technical college programs and courses, community
15 college vocational programs and courses, private career school and
16 college programs and courses, employer-sponsored training, adult basic
17 education programs and courses, programs and courses funded by the
18 federal workforce investment act, programs and courses funded by the
19 federal vocational act, programs and courses funded under the federal
20 adult education act, publicly funded programs and courses for adult
21 literacy education, and apprenticeships, and programs and courses
22 offered by private and public nonprofit organizations that are
23 representative of communities or significant segments of communities
24 and provide job training or adult literacy services.

25 (4) "Workforce skills" means skills developed through applied
26 learning that strengthen and reinforce an individual's academic
27 knowledge, critical thinking, problem solving, and work ethic and,
28 thereby, develop the employability, occupational skills, and management
29 of home and work responsibilities necessary for economic independence.

30 (5) "Vocational education" means organized educational programs
31 offering a sequence of courses which are directly related to the
32 preparation or retraining of individuals in paid or unpaid employment
33 in current or emerging occupations requiring other than a baccalaureate
34 or advanced degree. Such programs shall include competency-based
35 applied learning which contributes to an individual's academic
36 knowledge, higher-order reasoning, and problem-solving skills, work
37 attitudes, general employability skills, and the occupational-specific

1 skills necessary for economic independence as a productive and
2 contributing member of society. Such term also includes applied
3 technology education.

4 (6) "Adult basic education" means instruction designed to achieve
5 mastery of skills in reading, writing, oral communication, and
6 computation at a level sufficient to allow the individual to function
7 effectively as a parent, worker, and citizen in the United States,
8 commensurate with that individual's actual ability level, and includes
9 English as a second language and preparation and testing service for
10 the general education development exam.

11 (7) "Industry skill panel" means a regional partnership of
12 business, labor, and education leaders that identifies skill gaps in a
13 key economic cluster and enables the industry and public partners to
14 respond to and be proactive in addressing workforce skill needs.

15 (8) "Workforce development council" means a local workforce
16 investment board as established in P.L. 105-220 Sec. 117.

17 **Sec. 7.** RCW 28C.18.060 and 2008 c 212 s 2 are each amended to read
18 as follows:

19 The board, in cooperation with the operating agencies of the state
20 training system and private career schools and colleges, shall:

21 (1) Concentrate its major efforts on planning, coordination
22 evaluation, policy analysis, and recommending improvements to the
23 state's training system;

24 (2) Advocate for the state training system and for meeting the
25 needs of employers and the workforce for workforce education and
26 training;

27 (3) Establish and maintain an inventory of the programs of the
28 state training system, and related state programs, and perform a
29 biennial assessment of the vocational education, training, and adult
30 basic education and literacy needs of the state; identify ongoing and
31 strategic education needs; and assess the extent to which employment,
32 training, vocational and basic education, rehabilitation services, and
33 public assistance services represent a consistent, integrated approach
34 to meet such needs;

35 (4) Develop and maintain a state comprehensive plan for workforce
36 training and education, including but not limited to, goals,
37 objectives, and priorities for the state training system, and review

1 the state training system for consistency with the state comprehensive
2 plan. In developing the state comprehensive plan for workforce
3 training and education, the board shall use, but shall not be limited
4 to: Economic, labor market, and populations trends reports in office
5 of financial management forecasts; joint office of financial management
6 and employment security department labor force, industry employment,
7 and occupational forecasts; the results of scientifically based
8 outcome, net-impact and cost-benefit evaluations; the needs of
9 employers as evidenced in formal employer surveys and other employer
10 input; and the needs of program participants and workers as evidenced
11 in formal surveys and other input from program participants and the
12 labor community;

13 (5) In consultation with the higher education coordinating board,
14 review and make recommendations to the office of financial management
15 and the legislature on operating and capital facilities budget requests
16 for operating agencies of the state training system for purposes of
17 consistency with the state comprehensive plan for workforce training
18 and education;

19 (6) Provide for coordination among the different operating agencies
20 and components of the state training system at the state level and at
21 the regional level;

22 (7) Develop a consistent and reliable database on vocational
23 education enrollments, costs, program activities, and job placements
24 from publicly funded vocational education programs in this state;

25 (8)(a) Establish standards for data collection and maintenance for
26 the operating agencies of the state training system in a format that is
27 accessible to use by the board. The board shall require a minimum of
28 common core data to be collected by each operating agency of the state
29 training system;

30 (b) Develop requirements for minimum common core data in
31 consultation with the office of financial management and the operating
32 agencies of the training system;

33 (9) Establish minimum standards for program evaluation for the
34 operating agencies of the state training system, including, but not
35 limited to, the use of common survey instruments and procedures for
36 measuring perceptions of program participants and employers of program
37 participants, and monitor such program evaluation;

1 (10) Every two years administer scientifically based outcome
2 evaluations of the state training system, including, but not limited
3 to, surveys of program participants, surveys of employers of program
4 participants, and matches with employment security department payroll
5 and wage files. Every five years administer scientifically based net-
6 impact and cost-benefit evaluations of the state training system;

7 (11) In cooperation with the employment security department,
8 provide for the improvement and maintenance of quality and utility in
9 occupational information and forecasts for use in training system
10 planning and evaluation. Improvements shall include, but not be
11 limited to, development of state-based occupational change factors
12 involving input by employers and employees, and delineation of skill
13 and training requirements by education level associated with current
14 and forecasted occupations;

15 (12) Provide for the development of common course description
16 formats, common reporting requirements, and common definitions for
17 operating agencies of the training system;

18 (13) Provide for effectiveness and efficiency reviews of the state
19 training system;

20 (14) In cooperation with the higher education coordinating board,
21 facilitate transfer of credit policies and agreements between
22 institutions of the state training system, and encourage articulation
23 agreements for programs encompassing two years of secondary workforce
24 education and two years of postsecondary workforce education;

25 (15) In cooperation with the higher education coordinating board,
26 facilitate transfer of credit policies and agreements between private
27 training institutions and institutions of the state training system;

28 (16) Develop policy objectives for the workforce investment act,
29 P.L. 105-220, or its successor; develop coordination criteria for
30 activities under the act with related programs and services provided by
31 state and local education and training agencies; and ensure that
32 entrepreneurial training opportunities are available through programs
33 of each local workforce investment board in the state;

34 (17) Make recommendations to the commission of student assessment,
35 the state board of education, and the superintendent of public
36 instruction, concerning basic skill competencies and essential core
37 competencies for K-12 education. Basic skills for this purpose shall
38 be reading, writing, computation, speaking, and critical thinking,

1 essential core competencies for this purpose shall be English, math,
2 science/technology, history, geography, and critical thinking. The
3 board shall monitor the development of and provide advice concerning
4 secondary curriculum which integrates vocational and academic
5 education;

6 (18) Establish and administer programs for marketing and outreach
7 to businesses and potential program participants;

8 (19) Facilitate the location of support services, including but not
9 limited to, child care, financial aid, career counseling, and job
10 placement services, for students and trainees at institutions in the
11 state training system, and advocate for support services for trainees
12 and students in the state training system;

13 (20) Facilitate private sector assistance for the state training
14 system, including but not limited to: Financial assistance, rotation
15 of private and public personnel, and vocational counseling;

16 (21) Facilitate the development of programs for school-to-work
17 transition that combine classroom education and on-the-job training,
18 including entrepreneurial education and training, in industries and
19 occupations without a significant number of apprenticeship programs;

20 (22) Include in the planning requirements for local workforce
21 investment boards a requirement that the local workforce investment
22 boards specify how entrepreneurial training is to be offered through
23 the one-stop system required under the workforce investment act, P.L.
24 105-220, or its successor;

25 (23) Encourage and assess progress for the equitable representation
26 of racial and ethnic minorities, women, and people with disabilities
27 among the students, teachers, and administrators of the state training
28 system. Equitable, for this purpose, shall mean substantially
29 proportional to their percentage of the state population in the
30 geographic area served. This function of the board shall in no way
31 lessen more stringent state or federal requirements for representation
32 of racial and ethnic minorities, women, and people with disabilities;

33 (24) Participate in the planning and policy development of governor
34 set-aside grants under P.L. 97-300, as amended;

35 (25) Administer veterans' programs, licensure of private vocational
36 schools, the job skills program, and the Washington award for
37 vocational excellence;

38 (26) Allocate funding from the state job training trust fund;

1 (27) Work with the director of community, trade, and economic
2 development and the economic development commission to ensure
3 coordination (~~((between))~~) among workforce training priorities, the long-
4 term economic development strategy of the economic development
5 commission, and (~~((that—department's))~~) economic development and
6 entrepreneurial development efforts, including but not limited to
7 assistance to industry clusters;

8 (28) Conduct research into workforce development programs designed
9 to reduce the high unemployment rate among young people between
10 approximately eighteen and twenty-four years of age. In consultation
11 with the operating agencies, the board shall advise the governor and
12 legislature on policies and programs to alleviate the high unemployment
13 rate among young people. The research shall include disaggregated
14 demographic information and, to the extent possible, income data for
15 adult youth. The research shall also include a comparison of the
16 effectiveness of programs examined as a part of the research conducted
17 in this subsection in relation to the public investment made in these
18 programs in reducing unemployment of young adults. The board shall
19 report to the appropriate committees of the legislature by November 15,
20 2008, and every two years thereafter. Where possible, the data
21 reported to the legislative committees should be reported in numbers
22 and in percentages;

23 (29) Adopt rules as necessary to implement this chapter.

24 The board may delegate to the director any of the functions of this
25 section.

26 **Sec. 8.** RCW 28C.18.080 and 1997 c 369 s 5 are each amended to read
27 as follows:

28 (1) The state comprehensive plan for workforce training and
29 education shall be updated every two years and presented to the
30 governor and the appropriate legislative policy committees. Following
31 public hearings, the legislature shall, by concurrent resolution,
32 approve or recommend changes to the initial plan and the updates. The
33 plan shall then become the state's workforce training policy unless
34 legislation is enacted to alter the policies set forth in the plan.

35 (2) The comprehensive plan shall include workforce training role
36 and mission statements for the workforce development programs of

1 operating agencies represented on the board and sufficient specificity
2 regarding expected actions by the operating agencies to allow them to
3 carry out actions consistent with the comprehensive plan.

4 (3) Operating agencies represented on the board shall have
5 operating plans for their workforce development efforts that are
6 consistent with the comprehensive plan and that provide detail on
7 implementation steps they will take to carry out their responsibilities
8 under the plan. Each operating agency represented on the board shall
9 provide an annual progress report to the board.

10 (4) The comprehensive plan shall include recommendations to the
11 legislature and the governor on the modification, consolidation,
12 initiation, or elimination of workforce training and education programs
13 in the state.

14 (5) The comprehensive plan shall (~~address how the state's~~
15 ~~workforce development system will meet the needs of employers hiring~~
16 ~~for industrial projects of statewide significance~~) identify the
17 strategic industry clusters targeted by the workforce development
18 system. In identifying the strategic clusters, the board shall consult
19 with the economic development commission to identify clusters that meet
20 the criteria identified by the working group convened by the economic
21 development commission and the workforce training and education
22 coordinating board under chapter 43.330 RCW.

23 (6) The board shall report to the appropriate legislative policy
24 committees by December 1st of each year on its progress in implementing
25 the comprehensive plan and on the progress of the operating agencies in
26 meeting their obligations under the plan.

27 NEW SECTION. Sec. 9. A new section is added to chapter 28C.18 RCW
28 to read as follows:

29 (1) Workforce development councils, in partnership with local
30 elected officials, shall develop and maintain a local unified plan for
31 the workforce development system including, but not limited to, the
32 local plan required by P.L. 105-220, Title I. The unified plan shall
33 include a strategic plan that assesses local employment opportunities
34 and skill needs, the present and future workforce, the current
35 workforce development system, information on financial resources,
36 diversity, goals, objectives, and strategies for the local workforce
37 development system, and a system-wide financial strategy for

1 implementing the plan. Local workforce development councils shall
2 submit their strategic plans to the board for review and to the
3 governor for approval.

4 (2) The strategic plan shall clearly articulate the connection
5 between workforce and economic development efforts in the local area
6 including the area industry clusters and the strategic clusters the
7 community is targeting for growth. The plan shall include, but is not
8 limited to:

9 (a) Data on current and projected employment opportunities in the
10 local area;

11 (b) Identification of workforce investment needs of existing
12 businesses and businesses considering location in the region, with
13 special attention to industry clusters;

14 (c) Identification of educational, training, employment, and
15 support service needs of jobseekers and workers in the local area,
16 including individuals with disabilities and other underrepresented
17 talent sources;

18 (d) Analysis of the industry demand, potential labor force supply,
19 and educational, employment, and workforce support available to
20 businesses and jobseekers in the region; and

21 (e) Collaboration with associate development organizations in
22 regional planning efforts involving combined strategies around
23 workforce development and economic development policies and programs.
24 Combined planning efforts shall include, but not be limited to,
25 assistance to industry clusters in the area.

26 (3) The board shall work with workforce development councils to
27 development implementation and funding strategies for purposes of this
28 section.

29 **Sec. 10.** RCW 43.162.020 and 2007 c 232 s 4 are each amended to
30 read as follows:

31 The Washington state economic development commission shall:

32 (1) Concentrate its major efforts on planning, coordination,
33 evaluation, policy analysis, and recommending improvements to the
34 state's economic development system using, but not limited to, the
35 "Next Washington" plan and the global competitiveness council
36 recommendations;

1 (2) Develop and maintain on a biennial basis a state comprehensive
2 plan for economic development, including but not limited to goals,
3 objectives, and priorities for the state economic development system;
4 identify the elements local associate development organizations must
5 include in their countywide economic development plans; and review the
6 state system for consistency with the state comprehensive plan. The
7 plan shall include the industry clusters in the state and the strategic
8 clusters targeted by the commission for economic development efforts.
9 The commission shall consult with the workforce training and education
10 coordinating board and include labor market and economic information by
11 the employment security department in developing the list of clusters
12 and strategic clusters that meet the criteria identified by the working
13 group convened by the economic development commission and the workforce
14 training and education coordinating board under chapter 43.330 RCW. In
15 developing the state comprehensive plan for economic development, the
16 commission shall use, but may not be limited to: Economic, labor
17 market, and populations trend reports in office of financial management
18 forecasts; the annual state economic climate report prepared by the
19 economic climate council; joint office of financial management and
20 employment security department labor force, industry employment, and
21 occupational forecasts; the results of scientifically based outcome
22 evaluations; the needs of industry associations, industry clusters,
23 businesses, and employees as evidenced in formal surveys and other
24 input;

25 (3) Establish and maintain an inventory of the programs of the
26 state economic development system and related state programs; perform
27 a biennial assessment of the ongoing and strategic economic development
28 needs of the state; and assess the extent to which the economic
29 development system and related programs represent a consistent,
30 coordinated, efficient, and integrated approach to meet such needs; and

31 (4) Produce a biennial report to the governor and the legislature
32 on progress by the commission in coordinating the state's economic
33 development system and meeting the other obligations of this chapter,
34 as well as include recommendations for any statutory changes necessary
35 to enhance operational efficiencies or improve coordination.

36 The commission may delegate to the executive director any of the
37 functions of this section.

1 **Sec. 11.** RCW 43.330.080 and 2007 c 249 s 2 are each amended to
2 read as follows:

3 The department shall contract with county-designated associate
4 development organizations to increase the support for and coordination
5 of community and economic development services in communities or
6 regional areas. The organizations contracted with in each community or
7 regional area shall be broadly representative of community and economic
8 interests. The organization shall be capable of identifying key
9 economic and community development problems, developing appropriate
10 solutions, and mobilizing broad support for recommended initiatives.
11 The contracting organization shall work with and include local
12 governments, local chambers of commerce, workforce development
13 councils, port districts, labor groups, institutions of higher
14 education, community action programs, and other appropriate private,
15 public, or nonprofit community and economic development groups. The
16 scope of services delivered under these contracts shall include two
17 broad areas of work:

18 (1) Direct assistance, including business planning, to companies
19 who need support to stay in business, expand, or relocate to Washington
20 from out of state or other countries. Assistance includes:

21 (a) Working with the appropriate partners, including but not
22 limited to, local governments, workforce development (~~(organizations)~~)
23 councils, port districts, community and technical colleges and higher
24 education institutions, export assistance providers, the Washington
25 manufacturing services, the Washington state quality award(~~(7)~~)
26 council, small business assistance programs, and other federal, state,
27 and local programs to facilitate the alignment of planning efforts and
28 the seamless delivery of business support services in the county;

29 (b) Providing information on state and local permitting processes,
30 tax issues, and other essential information for operating, expanding,
31 or locating a business in Washington;

32 (c) Marketing Washington and local areas as excellent locations to
33 expand or relocate a business and positioning Washington as a globally
34 competitive place to grow business, which may include developing and
35 executing regional plans to attract companies from out of state;

36 (d) Working with businesses on site location and selection
37 assistance;

1 (e) Providing business retention and expansion services, including
2 business outreach and monitoring efforts to identify and address
3 challenges and opportunities faced by businesses; and

4 (f) (~~Participate~~ [~~Participating~~]) Participating in economic
5 development system-wide discussions regarding gaps in business start-up
6 assistance in Washington; and

7 (2) Support for regional economic research and regional planning
8 efforts to implement target industry sector strategies and other
9 economic development strategies, including cluster-based strategies,
10 that support increased living standards and increase foreign direct
11 investment throughout Washington. Activities include:

12 (a) Participation in regional planning efforts with workforce
13 development councils involving (~~combined~~) coordinated strategies
14 around workforce development and economic development policies and
15 programs. Coordinated planning efforts shall include, but not be
16 limited to, assistance to industry clusters in the region;

17 (b) Participation between the contracting organization (~~shall~~
18 ~~participate with~~) and the state board for community and technical
19 colleges as created in RCW 28B.50.050, and any community and technical
20 colleges in providing for the coordination of the job skills training
21 program and the customized training program within its region;

22 (~~(b)~~) (c) Collecting and reporting data as specified by the
23 contract with the department for statewide systemic analysis. The
24 department shall consult with the Washington state economic development
25 commission in the establishment of such uniform data as is needed to
26 conduct a statewide systemic analysis of the state's economic
27 development programs and expenditures. In cooperation with other
28 local, regional, and state planning efforts, contracting organizations
29 may provide insight into the needs of target industry clusters,
30 business expansion plans, early detection of potential relocations or
31 layoffs, training needs, and other appropriate economic information;

32 (~~(e)~~) (d) In conjunction with other governmental jurisdictions
33 and institutions, participate in the development of a countywide
34 economic development plan, consistent with the state comprehensive plan
35 for economic development developed by the Washington state economic
36 development commission.

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