

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 129
SEPTEMBER 25, 2008**

WORKFORCE BOARD 2009 POLICY REQUESTS

Background:

The Workforce Training and Education Coordinating Board is required to formally submit any agency bill or budget request to the Office of Financial Management (OFM) for approval. There are three bill requests being proposed for submittal to OFM:

Coordinating Workforce and Economic Development (Skills for the Next Washington)
Clarifying Workforce and Economic Development Terms
Changing Timelines on the State Strategic Plan for Workforce Development

This tab includes:

1. Proposed motions endorsing the recommended agency requests.
2. The draft legislative packages that will be submitted to OFM pursuant to their guidelines for agency requests.

Board Action Requested: Adoption of the recommended motions.

RECOMMENDED MOTION A

WHEREAS, Governor Gregoire’s *The Next Washington* presents an action plan for “Growing Jobs and Income in a Global Economy” and among its three components are education and skills—“the most important investment we can make in our economic future”;

WHEREAS, *The Next Washington* calls for significantly expanding opportunities for Washingtonians to access college and workforce training, especially in programs in high demand by our economy, and it also calls for improved partnerships among workforce and economic development efforts at the state and regional levels;

WHEREAS, Governor Gregoire called upon the Workforce Training and Education Coordinating Board (Workforce Board), the Department of Community, Trade, and Economic Development (CTED), and the Economic Development Commission (WEDC) to “develop a plan to support coordination at the state and regional levels, with a special emphasis on key economic clusters”;

WHEREAS, Based on Governor Gregoire’s direction and many discussions, *Skills for the Next Washington* presents a framework for coordinating workforce and economic development at the state and local levels focusing on a cluster-based approach;

NOW THEREFORE BE IT RESOLVED THAT the Workforce Board hereby approves the submittal of proposed legislation that codifies coordination of workforce and economic development at the state and local levels focusing on a cluster-based approach by amending statutes to create consistency and coordination.

RECOMMENDED MOTION B

WHEREAS, In *High Skills, High Wages*, the Workforce Board recommends expanding education and training programs that are in high demand by employers, and this has been a key initiative of the Board since 1999;

WHEREAS, the term “high demand” has become very popular in recent years, and has been interpreted in different ways creating confusion among stakeholders;

WHEREAS, the Workforce Board has worked with the Governor’s office, the State Board for Community and Technical Colleges; the Department of Community, Trade, and Economic Development; the Employment Security Department; the Higher Education Coordinating Board; and the Council of Presidents to create common definitions and review statutes where terms related to “high demand” occur;

NOW THEREFORE BE IT RESOLVED THAT the Workforce Board hereby approves the submittal of proposed legislation that codifies common definitions for terms related to “high demand,” by amending statutes to create consistency in the meaning of terms without changing policy.

RECOMMENDED MOTION C

WHEREAS, State statute RCW 28C.18.060 directs the Workforce Training and Education Coordinating Board to “develop and maintain a state comprehensive plan for workforce training and education, including but not limited to, goals, objectives, and priorities for the state training system,” and

WHEREAS, State statute RCW 28C.18.080 directs that the state comprehensive plan be updated every two years and presented to the Governor and the appropriate legislative policy committees, and

WHEREAS, The major demographic and economic characteristics that provide the context of the plan do not change significantly every two years, and

WHEREAS, government budgets must be lean and the Workforce Training and Education Coordinating Board would prefer to concentrate more resources on plan implementation rather than planning , and

WHEREAS, four year updates would put our state comprehensive plan in the same time frame for four-year updates as the Higher Education Coordinating Board’s master plan and therefore improve alignment of the two plans, and

WHEREAS, The Workforce Board would like to include a 10-year time horizon for our vision for the workforce development system and the current legislation does not have a time horizon, and a ten-year time horizon is consistent with the Higher Education Coordinating Board’s master plan,

THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board adopts the legislative proposal to change the comprehensive plan for workforce development update from every two years to every four years, and to include a 10-year time horizon for the plan.

LEGISLATIVE PACKAGE – WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
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I. Coordinating Workforce and Economic Development

Statement of Need:

Governor Gregoire’s *The Next Washington* presents an action plan for “Growing Jobs and Income in a Global Economy” and among its three components are education and skills—“the most important investment we can make in our economic future.” *The Next Washington* calls for improving partnerships among workforce and economic development efforts at the state and regional levels. Subsequently, Governor Gregoire called upon the Workforce Training and Education Coordinating Board (Workforce Board), the Department of Community, Trade, and Economic Development (CTED), and the Economic Development Commission (WEDC) to “develop a plan to support coordination at the state and regional levels, with a special emphasis on key economic clusters.” Based on Governor Gregoire’s direction and many discussions with key stakeholders, this legislation proposes statutory amendments that create a framework for coordinating workforce and economic development at the state and local levels focusing on a cluster-based approach.

Summary of Legislation:

The proposed statutory amendments would create clarity and consistency in workforce and economic development terms, improve coordination of workforce and economic development initiatives, and focus investments on cluster-based approaches by:

1. Amending a statutory definition for “industry cluster” to include other entities such as government and education, consistent with the common definitions. In 2007 the Governor’s Policy Office convened a group of stakeholders to develop common definitions for workforce and economic development terms. The definitions for “industry cluster” and “sector” are from that workgroup. This statute is under the Department of Community, Trade and Economic Development (see RCW 43.330.090)
2. Providing for the inclusion of labor market analysis for the purposes of identifying industry clusters that meet the criteria established by the Workforce Board and the Economic Development Commission. This statute is under the Employment Security Department (see RCW 50.38.050).
3. Correcting terminology by replacing “cluster” with “sector” where sector is the intended meaning and clarifying the economic development and cluster focus of the competitive grant program to further regional cluster growth under the Department of Community, Trade and Economic Development (see RCW 43.330.090).
4. Adding a new section to establish Centers of Excellence under the State Board for Community and Technical Colleges (see RCW 28B.050)
5. Providing a statutory definition of Workforce Development Council in a statute under the Workforce Training and Education Coordinating Board (see RCW 28C. 18).

6. Providing direction for the Workforce Training and Education Coordinating Board to work with the Department of Community, Trade and Economic Development and the Economic Development Commission on industry clusters in a statute under the Workforce Training and Education Coordinating Board (see RCW 28C. 18.060).
7. Providing for the inclusion of industry clusters in the state plan for workforce development in a statute under the Workforce Training and Education Coordinating Board (see RCW 28C. 18.080).
8. Adding a new section to establish workforce development council planning responsibilities in statute including coordinating with associate development organizations and assistance to clusters in a statute under the Workforce Board (see RCW 28C.18).
9. Providing for the inclusion of clusters in the state economic development plan, and consultation with the Workforce Training and Education Coordinating Board and inclusion of labor market and economic information from the Employment Security Department in identifying clusters in a statute under the Economic Development Commission (see RCW 43.162.020).
10. Providing for the inclusion of industry clusters and coordination with workforce development councils by associate development organizations in a statute under the Department of Community, Trade and Economic Development (see RCW 43.330.080).

Agencies Affected:

Department of Community, Trade and Economic Development
 Department of Health and Social Services
 Economic Development Commission
 Employment Security Department
 State Board for Community and Technical Colleges
 Workforce Training and Education Coordinating Board

Stakeholders Affected:

<u>Stakeholder Organization</u>	<u>Position</u>	<u>Name</u>	<u>Phone</u>
Community, Trade and Economic Development		Julie Anderson	360-725-4029
Department of Health and Social Services		Lynnae Ruttledge	360-725.3610
Employment Security Department	<i>To be completed</i>	Amy Leneker	360-902-9314
Economic Development Commission		Egils Milbergs	360- 725-2750
State Board for Community & Technical Colleges		Jim Crabbe	360-704-4333
Association of Washington Business		Mike Hudson	360-943-1600
Washington Economic Development Association		Kristin Crowe	425-967-0736
Washington Public Ports Association		Ginger Eagle	360-943-0760
Washington State Labor Council		Lori Province	206-351-2956
Washington Workforce Association		Tim Probst	360-693-6362

Summary of Stakeholder Positions

Employment Security Department

The Employment Security Department (ESD) supports An Act Related to Coordinating Workforce and Economic Development (draft dated September 5, 2008). ESD supports the concept that efforts at the state and local levels must be well coordinated to ensure a skilled workforce and competitive business climate. ESD also supports clarifying the definition and role of industry clusters in workforce and economic development. This legislation is consistent with ESD's goals to improve state and local coordination of workforce and economic development to better serve workers and employers. The department is able to meet requirements as outlined in the legislation.

State Board for Community and Technical Colleges

The State Board for Community and Technical Colleges is supportive of the draft legislation which advances the cluster approach to workforce and economic development in the state. It will enhance the collaboration and cohesive approach to the states efforts, and make it clear to all stakeholders that this will be an enduring strategy worthy of investment.

To be completed for:

Community, Trade and Economic Development
Department of Health and Social Services
Economic Development Commission
Association of Washington Business
Washington Economic Development Association
Washington Public Ports Association
Washington State Labor Council
Washington Workforce Association

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Code Reviser Draft: See enclosed Z-0173 draft bill

Fiscal Note: The Workforce Board will prepare a fiscal note indicating there is no fiscal impact.

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0173.2/09 2nd draft

ATTY/TYPIST: SCG:ean

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)~~) (4) of this section,
19 "industry cluster" means a geographic concentration of (~~interdependent~~
20 ~~competitive firms that do business with each other. "Industry cluster"~~
21 ~~also includes firms that sell inside and outside of the geographic~~
22 ~~region as well as support firms that supply raw materials, components,~~
23 ~~and business services)) interconnected companies in a single industry,
24 related businesses in other industries, including suppliers and
25 customers, and associated institutions, including government and
26 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: Create educational
28 efficiencies; build a diverse, competitive workforce for strategic
29 industries; maintain an institutional reputation for innovation and
30 responsiveness; develop innovative curriculum and means of delivering
31 education and training; and act as brokers of information and resources
32 related to community and technical college education and training for
33 a targeted industry.

34 Examples of strategies include but are not limited to: Sharing
35 curriculum, equipment, tools, space, and faculty members to ensure cost
36 savings to the system; delivering collaborative certificate and degree

1 programs; and holding statewide summits, seminars, conferences, and
2 workshops on industry trends and best practices in community and
3 technical college education and training.

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

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

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

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

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

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

29 (5) "Vocational education" means organized educational programs
30 offering a sequence of courses which are directly related to the
31 preparation or retraining of individuals in paid or unpaid employment
32 in current or emerging occupations requiring other than a baccalaureate
33 or advanced degree. Such programs shall include competency-based
34 applied learning which contributes to an individual's academic
35 knowledge, higher-order reasoning, and problem-solving skills, work
36 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 director of the economic development commission to
3 ensure coordination (~~((between))~~) among workforce training priorities,
4 the long-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 **Sec. 10.** RCW 43.162.020 and 2007 c 232 s 4 are each amended to
27 read as follows:

28 The Washington state economic development commission shall:

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

34 (2) Develop and maintain on a biennial basis a state comprehensive
35 plan for economic development, including but not limited to goals,
36 objectives, and priorities for the state economic development system;
37 identify the elements local associate development organizations must

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

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

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

32 The commission may delegate to the executive director any of the
33 functions of this section.

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

36 The department shall contract with county-designated associate
37 development organizations to increase the support for and coordination

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

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

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

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

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

32 (d) Working with businesses on site location and selection
33 assistance;

34 (e) Providing business retention and expansion services, including
35 business outreach and monitoring efforts to identify and address
36 challenges and opportunities faced by businesses; and

37 (f) (~~Participate~~ [~~Participating~~]) Participating in economic

1 development system-wide discussions regarding gaps in business start-up
2 assistance in Washington; and

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

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

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

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

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

--- END ---

LEGISLATIVE PACKAGE –
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

I. Clarifying Workforce and Economic Development Terms

1. Statement of Need:

In 2008 the Governor’s office approved this legislative proposal and the bills (HB 2608) passed the full House Higher Education and Senate Higher Education legislative committees but was not pulled from Senate Rules along with many other higher education bills. There was no opposition to the bill and it had shown every sign of passing.

This bill differs from the 2008 bill only in that the definitions for “sector” and “industry clusters” are not included here as they are included in a separate request of the Workforce Board.

The term “high demand” has become very popular in recent years, and has been interpreted in different ways creating confusion among stakeholders. To address this issue the Governor’s office convened a workgroup of agencies to develop common definitions that were completed in 2007. 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 next step is to place these definitions in statute in order help legislators, agencies and other stakeholders to stay in alignment.

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

High Employer Demand Program of Study: Undergraduate or graduate certificate, apprenticeship 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, or apprenticeship, in which student demand substantially exceeds program capacity.

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.”

Beyond the changes in the RCW, the biennial and supplemental budget bills will need to incorporate these terms consistently with the statutory changes.

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 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.
3. 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).
4. Would insert the common definition for “High Demand Occupation” in the statute pertaining to the training benefits program.

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	Lynn Maier	360-902-9457
Higher Education Coordinating Board	Support	John Lederer	360-753-7822
Department of Labor and Industries	TBA	Josh Swanson	360-

Summary of Agency and Stakeholder Positions

Workforce Training and Education Coordinating Board

The Workforce Board approved this legislative proposal at their September 25 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. By using the same set of common definitions, workforce and economic development partners at state and regional levels can communicate and plan more efficiently and 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 misalignment 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 misalignment 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 support inserting the common definition for "High Demand Occupation" in Title 50 pertaining to the training benefits program.

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. CTED believes the will add greater clarity for their own work and for their stakeholders.

Department of Labor and Industries

Department of Labor and Industries (L&I) representative Liz Smith was a member of the interagency work group that created the common definitions. L&I believes 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.

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. Contact Cindy Morana, (360) 753-5107.

Staff Contacts:

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Terry Ryan, Assistant Attorney General, Terry Ryan (360) 586-0727 terryr1@atg.wa.gov

Code Reviser Draft: See enclosed Z-0152.2

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

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0152.2/09 2nd draft

ATTY/TYPIST: SCG:cro

BRIEF DESCRIPTION: Clarifying terms for workforce and economic development.

1 AN ACT Relating to clarifying terms for workforce and economic
2 development; amending RCW 28B.50.030, 28B.50.273, 50.22.130, 50.22.150,
3 51.32.099, and 74.08A.250; and providing an expiration date.

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

5 **Sec. 1.** RCW 28B.50.030 and 2007 c 277 s 301 are each amended to
6 read as follows:

7 As used in this chapter, unless the context requires otherwise, the
8 term:

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

11 (2) "Board" shall mean the workforce training and education
12 coordinating board.

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

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

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

1 (6) "Board of trustees" shall mean the local community and
2 technical college board of trustees established for each college
3 district within the state.

4 (7) "Occupational education" shall mean that education or training
5 that will prepare a student for employment that does not require a
6 baccalaureate degree, and education and training leading to an applied
7 baccalaureate degree.

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

10 (9) "Common school board" shall mean a public school district board
11 of directors.

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

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

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

1 (13) "Dislocated forest product worker" shall mean a forest
2 products worker who: (a)(i) Has been terminated or received notice of
3 termination from employment and is unlikely to return to employment in
4 the individual's principal occupation or previous industry because of
5 a diminishing demand for his or her skills in that occupation or
6 industry; or (ii) is self-employed and has been displaced from his or
7 her business because of the diminishing demand for the business'
8 services or goods; and (b) at the time of last separation from
9 employment, resided in or was employed in a rural natural resources
10 impact area.

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

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

34 (16) "Salmon fishing worker" means a worker in the finfish industry
35 affected by 1994 or future salmon disasters. The workers included
36 within this definition shall be determined by the employment security
37 department, but shall include workers employed in the industries

1 involved in the commercial and recreational harvesting of finfish
2 including buying and processing finfish. The commissioner may adopt
3 rules further interpreting these definitions.

4 (17) "Rural natural resources impact area" means:

5 (a) A nonmetropolitan county, as defined by the 1990 decennial
6 census, that meets three of the five criteria set forth in subsection
7 (18) of this section;

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

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

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

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

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

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

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

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

37 (19) "Applied baccalaureate degree" means a baccalaureate degree

1 awarded by a college under RCW 28B.50.810 for successful completion of
2 a program of study that is:

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

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

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

10 (a) Washington public community and technical colleges;

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

14 (c) Washington state apprenticeship and training council-approved
15 apprenticeship programs.

16 (21) "High employer demand program of study" means an
17 apprenticeship, or an undergraduate or graduate certificate or degree
18 program in which the number of students prepared for employment per
19 year from in-state institutions is substantially less than the number
20 of projected job openings per year in that field, statewide or in a
21 substate region.

22 **Sec. 2.** RCW 28B.50.273 and 2008 c 14 s 10 are each amended to read
23 as follows:

24 The college board, in partnership with business, labor, and the
25 workforce training and education coordinating board, shall:

26 (1) Identify high employer demand programs of study offered by
27 qualified postsecondary institutions that lead to a credential,
28 certificate, or degree;

29 (2) Identify job-specific training programs offered by qualified
30 postsecondary institutions that lead to a credential, certificate, or
31 degree in green industry occupations as established in chapter 14, Laws
32 of 2008(~~, and other high demand occupations, which are occupations~~
33 ~~where data show that employer demand for workers exceeds the supply of~~
34 ~~qualified job applicants throughout the state or in a specific region,~~
35 ~~and where training capacity is underutilized));~~

36 ((+2)) (3) Gain recognition of the credentials, certificates, and

1 degrees by Washington's employers and labor organizations. The college
2 board shall designate these recognized credentials, certificates, and
3 degrees as "opportunity grant-eligible programs of study"; and

4 ~~((3))~~ (4) Market the credentials, certificates, and degrees to
5 potential students, businesses, and apprenticeship programs as a way
6 for individuals to advance in their careers and to better meet the
7 needs of industry.

8 **Sec. 3.** RCW 50.22.130 and 2000 c 2 s 6 are each amended to read as
9 follows:

10 It is the intent of the legislature that a training benefits
11 program be established to provide unemployment insurance benefits to
12 unemployed individuals who participate in training programs necessary
13 for their reemployment.

14 The legislature further intends that this program serve the
15 following goals:

16 (1) Retraining should be available for those unemployed individuals
17 whose skills are no longer in demand;

18 (2) To be eligible for retraining, an individual must have a long-
19 term attachment to the labor force;

20 (3) Training must enhance the individual's marketable skills and
21 earning power; and

22 (4) Retraining must be targeted to ~~((those industries or skills
23 that are in high demand within the labor market))~~ high-demand
24 occupations.

25 Individuals unemployed as a result of structural changes in the
26 economy and technological advances rendering their skills obsolete must
27 receive the highest priority for participation in this program. It is
28 the further intent of the legislature that individuals for whom
29 suitable employment is available are not eligible for additional
30 benefits while participating in training.

31 The legislature further intends that funding for this program be
32 limited by a specified maximum amount each fiscal year.

33 **Sec. 4.** RCW 50.22.150 and 2002 c 149 s 2 are each amended to read
34 as follows:

35 (1) Subject to availability of funds, training benefits are

1 available for an individual who is eligible for or has exhausted
2 entitlement to unemployment compensation benefits and who:

3 (a) Is a dislocated worker as defined in RCW 50.04.075;

4 (b) Except as provided under subsection (2) of this section, has
5 demonstrated, through a work history, sufficient tenure in an
6 occupation or in work with a particular skill set. This screening will
7 take place during the assessment process;

8 (c) Is, after assessment of demand for the individual's occupation
9 or skills in the individual's labor market, determined to need job-
10 related training to find suitable employment in his or her labor
11 market. Beginning July 1, 2001, the assessment of demand for the
12 individual's occupation or skill sets must be substantially based on
13 declining occupation or skill sets identified in local labor market
14 areas by the local workforce development councils, in cooperation with
15 the employment security department and its labor market information
16 division, under subsection (10) of this section;

17 (d) Develops an individual training program that is submitted to
18 the commissioner for approval within sixty days after the individual is
19 notified by the employment security department of the requirements of
20 this section;

21 (e) Enters the approved training program by ninety days after the
22 date of the notification, unless the employment security department
23 determines that the training is not available during the ninety-day
24 period, in which case the individual enters training as soon as it is
25 available; and

26 (f) Is enrolled in training approved under this section on a full-
27 time basis as determined by the educational institution, and is making
28 satisfactory progress in the training as certified by the educational
29 institution.

30 (2) Until June 30, 2002, the following individuals who meet the
31 requirements of subsection (1) of this section may, without regard to
32 the tenure requirements under subsection (1)(b) of this section,
33 receive training benefits as provided in this section:

34 (a) An exhaustee who has base year employment in the aerospace
35 industry assigned the standard industrial classification code "372" or
36 the North American industry classification system code "336411";

37 (b) An exhaustee who has base year employment in the forest
38 products industry, determined by the department, but including the

1 industries assigned the major group standard industrial classification
2 codes "24" and "26" or any equivalent codes in the North American
3 industry classification system code, and the industries involved in the
4 harvesting and management of logs, transportation of logs and wood
5 products, processing of wood products, and the manufacturing and
6 distribution of wood processing and logging equipment; or

7 (c) An exhaustee who has base year employment in the fishing
8 industry assigned the standard industrial classification code "0912" or
9 any equivalent codes in the North American industry classification
10 system code.

11 (3) An individual is not eligible for training benefits under this
12 section if he or she:

13 (a) Is a standby claimant who expects recall to his or her regular
14 employer;

15 (b) Has a definite recall date that is within six months of the
16 date he or she is laid off; or

17 (c) Is unemployed due to a regular seasonal layoff which
18 demonstrates a pattern of unemployment consistent with the provisions
19 of RCW 50.20.015. Regular seasonal layoff does not include layoff due
20 to permanent structural downsizing or structural changes in the
21 individual's labor market.

22 (4) The definitions in this subsection apply throughout this
23 section unless the context clearly requires otherwise.

24 (a) "Educational institution" means an institution of higher
25 education as defined in RCW 28B.10.016 or an educational institution as
26 defined in RCW 28C.04.410, including equivalent educational
27 institutions in other states.

28 (b) "Sufficient tenure" means earning a plurality of wages in a
29 particular occupation or using a particular skill set during the base
30 year and at least two of the four twelve-month periods immediately
31 preceding the base year.

32 (c) "Training benefits" means additional benefits paid under this
33 section.

34 (d) "Training program" means:

35 (i) An education program determined to be necessary as a
36 prerequisite to vocational training after counseling at the educational
37 institution in which the individual enrolls under his or her approved
38 training program; or

1 (ii) A vocational training program at an educational institution:

2 (A) That is targeted to training for a high-demand occupation.
3 Beginning July 1, 2001, the assessment of high-demand occupations
4 authorized for training under this section must be substantially based
5 on labor market and employment information developed by local workforce
6 development councils, in cooperation with the employment security
7 department and its labor market information division, under subsection
8 (10) of this section;

9 (B) That is likely to enhance the individual's marketable skills
10 and earning power; and

11 (C) That meets the criteria for performance developed by the
12 workforce training and education coordinating board for the purpose of
13 determining those training programs eligible for funding under Title I
14 of P.L. 105-220.

15 "Training program" does not include any course of education
16 primarily intended to meet the requirements of a baccalaureate or
17 higher degree, unless the training meets specific requirements for
18 certification, licensing, or for specific skills necessary for the
19 occupation.

20 (5) Benefits shall be paid as follows:

21 (a)(i) Except as provided in (a)(iii) of this subsection, for
22 exhaustees who are eligible under subsection (1) of this section, the
23 total training benefit amount shall be fifty-two times the individual's
24 weekly benefit amount, reduced by the total amount of regular benefits
25 and extended benefits paid, or deemed paid, with respect to the benefit
26 year; or

27 (ii) For exhaustees who are eligible under subsection (2) of this
28 section, for claims filed before June 30, 2002, the total training
29 benefit amount shall be seventy-four times the individual's weekly
30 benefit amount, reduced by the total amount of regular benefits and
31 extended benefits paid, or deemed paid, with respect to the benefit
32 year; or

33 (iii) For exhaustees eligible under subsection (1) of this section
34 from industries listed under subsection (2)(a) of this section, for
35 claims filed on or after June 30, 2002, but before January 5, 2003, the
36 total training benefit amount shall be seventy-four times the
37 individual's weekly benefit amount, reduced by the total amount of

1 regular benefits and extended benefits paid, or deemed paid, with
2 respect to the benefit year.

3 (b) The weekly benefit amount shall be the same as the regular
4 weekly amount payable during the applicable benefit year and shall be
5 paid under the same terms and conditions as regular benefits. The
6 training benefits shall be paid before any extended benefits but not
7 before any similar federally funded program.

8 (c) Training benefits are not payable for weeks more than two years
9 beyond the end of the benefit year of the regular claim.

10 (6) The requirement under RCW 50.22.010(10) relating to exhausting
11 regular benefits does not apply to an individual otherwise eligible for
12 training benefits under this section when the individual's benefit year
13 ends before his or her training benefits are exhausted and the
14 individual is eligible for a new benefit year. These individuals will
15 have the option of remaining on the original claim or filing a new
16 claim.

17 (7)(a) Except as provided in (b) of this subsection, individuals
18 who receive training benefits under this section or under any previous
19 additional benefits program for training are not eligible for training
20 benefits under this section for five years from the last receipt of
21 training benefits under this section or under any previous additional
22 benefits program for training.

23 (b) With respect to claims that are filed before January 5, 2003,
24 an individual in the aerospace industry assigned the standard
25 industrial code "372" or the North American industry classification
26 system code "336411" who received training benefits under this section,
27 and who had been making satisfactory progress in a training program but
28 did not complete the program, is eligible, without regard to the five-
29 year limitation of this section and without regard to the requirement
30 of subsection (1)(b) of this section, if applicable, to receive
31 training benefits under this section in order to complete that training
32 program. The total training benefit amount that applies to the
33 individual is seventy-four times the individual's weekly benefit
34 amount, reduced by the total amount of regular benefits paid, or deemed
35 paid, with respect to the benefit year in which the training program
36 resumed and, if applicable, reduced by the amount of training benefits
37 paid, or deemed paid, with respect to the benefit year in which the
38 training program commenced.

1 (8) An individual eligible to receive a trade readjustment
2 allowance under chapter 2 of Title II of the Trade Act of 1974, as
3 amended, shall not be eligible to receive benefits under this section
4 for each week the individual receives such trade readjustment
5 allowance. An individual eligible to receive emergency unemployment
6 compensation, so called, under any federal law, shall not be eligible
7 to receive benefits under this section for each week the individual
8 receives such compensation.

9 (9) All base year employers are interested parties to the approval
10 of training and the granting of training benefits.

11 (10) By July 1, 2001, each local workforce development council, in
12 cooperation with the employment security department and its labor
13 market information division, must identify (~~occupations and skill sets~~
14 ~~that are declining and occupations and skill sets that are in~~) high_
15 demand occupations and occupations in declining employer demand. For
16 the purposes of RCW 50.22.130 through 50.22.150 and section 9, chapter
17 2, Laws of 2000, "high-demand occupation" means (~~demand for employment~~
18 ~~that exceeds the supply of qualified workers for occupations or skill~~
19 ~~sets in a labor market area~~) an occupation with a substantial number
20 of current or projected employment opportunities. Local workforce
21 development councils must use state and locally developed labor market
22 information. Thereafter, each local workforce development council
23 shall update this information annually or more frequently if needed.

24 (11) The commissioner shall adopt rules as necessary to implement
25 this section.

26 **Sec. 5.** RCW 51.32.099 and 2007 c 72 s 2 are each amended to read
27 as follows:

28 (1)(a) The legislature intends to create improved vocational
29 outcomes for Washington state injured workers and employers through
30 legislative and regulatory change under a pilot program for the period
31 of January 1, 2008, through June 30, 2013. This pilot vocational
32 system is intended to allow opportunities for eligible workers to
33 participate in meaningful retraining in high-demand occupations,
34 improve successful return to work and achieve positive outcomes for
35 workers, reduce the incidence of repeat vocational services, increase
36 accountability and responsibility, and improve cost predictability. To
37 facilitate the study and evaluation of the results of the proposed

1 changes, the department shall establish the temporary funding of
2 certain state fund vocational costs through the medical aid account to
3 ensure the appropriate assessments to employers for the costs of their
4 claims for vocational services in accordance with RCW 51.32.0991.

5 (b) An independent review and study of the effects of the pilot
6 program shall be conducted to determine whether it has achieved the
7 appropriate outcomes at reasonable cost to the system. The review
8 shall include, at a minimum, a report on the department's performance
9 with regard to the provision of vocational services, the skills
10 acquired by workers who receive retraining services, the types of
11 training programs approved, whether the workers are employed, at what
12 jobs and wages after completion of the training program and at various
13 times subsequent to their claim closure, the number and demographics of
14 workers who choose the option provided in subsection (4)(b) of this
15 section, and their employment and earnings status at various times
16 subsequent to claim closure. The department may adopt rules, in
17 collaboration with the subcommittee created under (c)(iii) of this
18 subsection, to further define the scope and elements of the required
19 study. Reports of the independent researcher are due on December 1,
20 2010, December 1, 2011, and December 1, 2012.

21 (c) In implementing the pilot program, the department shall:

22 (i) Establish a vocational initiative project that includes
23 participation by the department as a partner with WorkSource, the
24 established state system that administers the federal workforce
25 investment act of 1998. As a partner, the department shall place
26 vocational professional full-time employees at pilot WorkSource
27 locations; refer some workers for vocational services to these
28 vocational professionals; and work with employers in work source pilot
29 areas to market the benefits of on-the-job training programs and with
30 community colleges to reserve slots in high employer demand programs of
31 study as defined in RCW 28B.50.030. These on-the-job training programs
32 and community college slots may be considered by both department and
33 private sector vocational professionals for vocational plan
34 development. The department will also assist stakeholders in
35 developing additional vocational training programs in various
36 industries, including but not limited to agriculture and construction.
37 These programs will expand the choices available to injured workers in

1 developing their vocational training plans with the assistance of
2 vocational professionals.

3 (ii) Develop and maintain a register of state fund and self-insured
4 workers who have been retrained or have selected any of the vocational
5 options described in this section for at least the duration of the
6 pilot program.

7 (iii) Create a vocational rehabilitation subcommittee made up of
8 members appointed by the director for at least the duration of the
9 pilot program. This subcommittee shall provide the business and labor
10 partnership needed to maintain focus on the intent of the pilot
11 program, as described in this section, and provide consistency and
12 transparency to the development of rules and policies. The
13 subcommittee shall report to the director at least annually and
14 recommend to the director and the legislature any additional statutory
15 changes needed, which may include extension of the pilot period. The
16 subcommittee shall provide input and oversight with the department
17 concerning the study required under (b) of this subsection. The
18 subcommittee shall provide recommendations for additional changes or
19 incentives for injured workers to return to work with their employer of
20 injury.

21 (iv) The department shall develop an annual report concerning
22 Washington's workers' compensation vocational rehabilitation system to
23 the legislature and to the subcommittee by December 1, 2009, and
24 annually thereafter with the final report due by December 1, 2012. The
25 annual report shall include the number of workers who have participated
26 in more than one vocational training plan beginning with plans approved
27 on January 1, 2008, and in which industries those workers were
28 employed. The final report shall include the department's assessment
29 and recommendations for further legislative action, in collaboration
30 with the subcommittee.

31 (2)(a) For the purposes of this section, the day the worker
32 commences vocational plan development means the date the department or
33 self-insurer notifies the worker of his or her eligibility for plan
34 development services.

35 (b) When vocational rehabilitation is both necessary and likely to
36 make the worker employable at gainful employment, he or she shall be
37 provided with services necessary to develop a vocational plan that, if
38 completed, would render the worker employable. The vocational

1 professional assigned to the claim shall, at the initial meeting with
2 the worker, fully inform the worker of the return-to-work priorities
3 set forth in RCW 51.32.095(2) and of his or her rights and
4 responsibilities under the workers' compensation vocational system.
5 The department shall provide tools to the vocational professional for
6 communicating this and other information required by RCW 51.32.095 and
7 this section to the worker.

8 (c) On the date the worker commences vocational plan development,
9 the department shall also inform the employer in writing of the
10 employer's right to make a valid return-to-work offer during the first
11 fifteen days following the commencement of vocational plan development.
12 To be valid, the offer must be for bona fide employment with the
13 employer of injury, consistent with the worker's documented physical
14 and mental restrictions as provided by the worker's health care
15 provider. When the employer makes a valid return-to-work offer, the
16 vocational plan development services and temporary total disability
17 compensation shall be terminated effective (~~(+on+)~~) on the starting
18 date for the job without regard to whether the worker accepts the
19 return-to-work offer. Following the fifteen-day period, the employer
20 may still provide, and the worker may accept, any valid return-to-work
21 offer. The worker's acceptance of such an offer shall result in the
22 termination of vocational plan development or implementation services
23 and temporary total disability compensation effective the day the
24 employment begins.

25 (3)(a) All vocational plans must contain an accountability
26 agreement signed by the worker detailing expectations regarding
27 progress, attendance, and other factors influencing successful
28 participation in the plan. Failure to abide by the agreed expectations
29 shall result in suspension of vocational benefits pursuant to RCW
30 51.32.110.

31 (b) Any formal education included as part of the vocational plan
32 must be for an accredited or licensed program or other program approved
33 by the department. The department shall develop rules that provide
34 criteria for the approval of nonaccredited or unlicensed programs.

35 (c) The vocational plan for an individual worker must be completed
36 and submitted to the department within ninety days of the day the
37 worker commences vocational plan development. The department may
38 extend the ninety days for good cause. Criteria for good cause shall

1 be provided in rule. The frequency and reasons for good cause
2 extensions shall be reported to the subcommittee created under
3 subsection (1)(c)(iii) of this section.

4 (d) Costs for the vocational plan may include books, tuition, fees,
5 supplies, equipment, child or dependent care, training fees for on-the-
6 job training, the cost of furnishing tools and other equipment
7 necessary for self-employment or reemployment, and other necessary
8 expenses in an amount not to exceed twelve thousand dollars. This
9 amount shall be adjusted effective July 1 of each year for vocational
10 plans or retraining benefits available under subsection (4)(b) of this
11 section approved on or after this date but before June 30 of the next
12 year based on the average percentage change in tuition for the next
13 fall quarter for all Washington state community colleges.

14 (e) The duration of the vocational plan shall not exceed two years
15 from the date the plan is implemented. The worker shall receive
16 temporary total disability compensation under RCW 51.32.090 and the
17 cost of transportation while he or she is actively and successfully
18 participating in a vocational plan.

19 (f) If the worker is required to reside away from his or her
20 customary residence, the reasonable cost of board and lodging shall
21 also be paid.

22 (4) Vocational plan development services shall be completed within
23 ninety days of commencing. During vocational plan development the
24 worker shall, with the assistance of a vocational professional,
25 participate in vocational counseling and occupational exploration to
26 include, but not be limited to, identifying possible job goals,
27 training needs, resources, and expenses, consistent with the worker's
28 physical and mental status. A vocational rehabilitation plan shall be
29 developed by the worker and the vocational professional and submitted
30 to the department or self-insurer. Following this submission, the
31 worker shall elect one of the following options:

32 (a) Option 1: The department or self-insurer implements and the
33 worker participates in the vocational plan developed by the vocational
34 professional and approved by the worker and the department or
35 self-insurer. For state fund claims, the department must review and
36 approve the vocational plan before implementation may begin. If the
37 department takes no action within fifteen days, the plan is deemed

1 approved. The worker may, within fifteen days of approval of the plan
2 by the department, elect option 2.

3 (i) Following successful completion of the vocational plan, any
4 subsequent assessment of whether vocational rehabilitation is both
5 necessary and likely to enable the injured worker to become employable
6 at gainful employment under RCW 51.32.095(1) shall include
7 consideration of transferable skills obtained in the vocational plan.

8 (ii) If a vocational plan is successfully completed on a claim
9 which is thereafter reopened as provided in RCW 51.32.160, the cost and
10 duration available for any subsequent vocational plan is limited to
11 that in subsection (3)(d) and (e) of this section, less that previously
12 expended.

13 (b) Option 2: The worker declines further vocational services
14 under the claim and receives an amount equal to six months of temporary
15 total disability compensation under RCW 51.32.090. The award is
16 payable in biweekly payments in accordance with the schedule of
17 temporary total disability payments, until such award is paid in full.
18 These payments shall not include interest on the unpaid balance.
19 However, upon application by the worker, and at the discretion of the
20 department, the compensation may be converted to a lump sum payment.
21 The vocational costs defined in subsection (3)(d) of this section shall
22 remain available to the worker, upon application to the department or
23 self-insurer, for a period of five years. The vocational costs shall,
24 if expended, be available for programs or courses at any accredited or
25 licensed institution or program from a list of those approved by the
26 department for tuition, books, fees, supplies, equipment, and tools,
27 without department or self-insurer oversight. The department shall
28 issue an order as provided in RCW 51.52.050 confirming the option 2
29 election, setting a payment schedule, and terminating temporary total
30 disability benefits. The department shall thereafter close the claim.

31 (i) If within five years from the date the option 2 order becomes
32 final, the worker is subsequently injured or suffers an occupational
33 disease or reopens the claim as provided in RCW 51.32.160, and
34 vocational rehabilitation is found both necessary and likely to enable
35 the injured worker to become employable at gainful employment under RCW
36 51.32.095(1), the duration of any vocational plan under subsection
37 (3)(e) of this section shall not exceed eighteen months.

1 (ii) If the available vocational costs are utilized by the worker,
2 any subsequent assessment of whether vocational rehabilitation is both
3 necessary and likely to enable the injured worker to become employable
4 at gainful employment under RCW 51.32.095(1) shall include
5 consideration of the transferable skills obtained.

6 (iii) If the available vocational costs are utilized by the worker
7 and the claim is thereafter reopened as provided in RCW 51.32.160, the
8 cost available for any vocational plan is limited to that in subsection
9 (3)(d) of this section less that previously expended.

10 (iv) Option 2 may only be elected once per worker.

11 (c) The director, in his or her sole discretion, may provide the
12 worker vocational assistance not to exceed that in subsection (3) of
13 this section, without regard to the worker's prior option selection or
14 benefits expended, where vocational assistance would prevent permanent
15 total disability under RCW 51.32.060.

16 (5)(a) As used in this section, "vocational plan interruption"
17 means an occurrence which disrupts the plan to the extent the
18 employability goal is no longer attainable. "Vocational plan
19 interruption" does not include institutionally scheduled breaks in
20 educational programs, occasional absence due to illness, or
21 modifications to the plan which will allow it to be completed within
22 the cost and time provisions of subsection (3)(d) and (e) of this
23 section.

24 (b) When a vocational plan interruption is beyond the control of
25 the worker, the department or self-insurer shall recommence plan
26 development. If necessary to complete vocational services, the cost
27 and duration of the plan may include credit for that expended prior to
28 the interruption. A vocational plan interruption is considered outside
29 the control of the worker when it is due to the closure of the
30 accredited institution, when it is due to a death in the worker's
31 immediate family, or when documented changes in the worker's accepted
32 medical conditions prevent further participation in the vocational
33 plan.

34 (c) When a vocational plan interruption is the result of the
35 worker's actions, the worker's entitlement to benefits shall be
36 suspended in accordance with RCW 51.32.110. If plan development or
37 implementation is recommenced, the cost and duration of the plan shall
38 not include credit for that expended prior to the interruption. A

1 vocational plan interruption is considered a result of the worker's
2 actions when it is due to the failure to meet attendance expectations
3 set by the training or educational institution, failure to achieve
4 passing grades or acceptable performance review, unaccepted or
5 postinjury conditions that prevent further participation in the
6 vocational plan, or the worker's failure to abide by the accountability
7 agreement per subsection (3)(a) of this section.

8 **Sec. 6.** RCW 74.08A.250 and 2006 c 107 s 2 are each amended to read
9 as follows:

10 Unless the context clearly requires otherwise, as used in this
11 chapter, "work activity" means:

- 12 (1) Unsubsidized paid employment in the private or public sector;
- 13 (2) Subsidized paid employment in the private or public sector,
14 including employment through the state or federal work-study program
15 for a period not to exceed twenty-four months;
- 16 (3) Work experience, including:
 - 17 (a) An internship or practicum, that is paid or unpaid and is
18 required to complete a course of vocational training or to obtain a
19 license or certificate in a high-demand (~~field~~) occupation, as
20 determined by the employment security department. No internship or
21 practicum shall exceed twelve months; or
 - 22 (b) Work associated with the refurbishing of publicly assisted
23 housing, if sufficient paid employment is not available;
- 24 (4) On-the-job training;
- 25 (5) Job search and job readiness assistance;
- 26 (6) Community service programs;
- 27 (7) Vocational educational training, not to exceed twelve months
28 with respect to any individual;
- 29 (8) Job skills training directly related to employment;
- 30 (9) Education directly related to employment, in the case of a
31 recipient who has not received a high school diploma or a GED;
- 32 (10) Satisfactory attendance at secondary school or in a course of
33 study leading to a GED, in the case of a recipient who has not
34 completed secondary school or received such a certificate;
- 35 (11) The provision of child care services to an individual who is
36 participating in a community service program;

1 (12) Internships, that shall be paid or unpaid work experience
2 performed by an intern in a business, industry, or government or
3 nongovernmental agency setting;

4 (13) Practicums, which include any educational program in which a
5 student is working under the close supervision of a professional in an
6 agency, clinic, or other professional practice setting for purposes of
7 advancing their skills and knowledge;

8 (14) Services required by the recipient under RCW 74.08.025(3) and
9 74.08A.010(3) to become employable; and

10 (15) Financial literacy activities designed to be effective in
11 assisting a recipient in becoming self-sufficient and financially
12 stable.

13 NEW SECTION. **Sec. 7.** Section 5 of this act expires June 30, 2013.

--- END ---

LEGISLATIVE PACKAGE –
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

I. Changing Timelines on the State Strategic Plan for Workforce Development

Statement of Need:

State statute (RCW 28C.18.080) directs the Workforce Training and Education Coordinating Board (Workforce Board) to create the state plan for workforce development and to update the plan every two years. Every two years the Workforce Board works intensively to update the state strategic plan. In order to update the plan:

- We review national literature
- Draw from national and local best practice and experience
- Study the demographic context
- Study the economic context using the Workforce Board statewide biennial employer survey and our workforce gap analyses in addition to many other sources
- We bring together expert work groups, chaired by the members of our Board to create a draft
- We work with our interagency committee to provide further input on the draft
- We take the draft to our Board for review and approval for wider public input
- We hold public forums across the state, augmented by video teleconferencing to reach the broadest audience possible
- We elicit input via email, phone, letter, in-person meetings
- We change the draft according to the input we receive
- Our Board approves the final draft
- We bring a resolution to the Legislature as directed in state Legislation, for their formal approval

This process is extremely time intensive and uses major resources of the Board. We believe that updating the plan every four years rather than every two years is preferable for these reasons:

- The major demographic and economic contexts for the plan do not change as rapidly as every two years.
- Planning every four years would bring our process in alignment with the Higher Education Coordinating Board's strategic master plan and improve agency alignment
- The Workforce Board and our partner agencies would be able to devote more time and resources on implementing the plan rather than concentrating on planning itself. This is particularly important in a time of limited resources.

In addition the proposed bill would create a 10-year horizon for the state strategic plan for Workforce Development. This direction would ensure that the Workforce Board looks to the future in setting goals, objectives and strategies, and would align the workforce plan with the time horizon of the HECB Master Plan.

Representative Jarrett sponsored a bill that had the same provision in the 2008 session. The Workforce Board did not request this bill in 2008 but testified in support.

2. Summary of Main Provisions:

The proposed statutory amendments would direct the Workforce Board to update the state strategic plan for workforce development every four years rather than every two years. The amendments would also direct that the plan should be a plan for 10 years. Currently statute does not set a planning horizon period.

Agencies Affected:

All the agencies and stakeholders represented on the Workforce Training and Education Coordinating Board:

Division of Vocational Rehabilitation, DSHS (Lynnae Rutledge)
Office of Community, Trade and Economic Development (Julie Wilkerson – Designee Julie Anderson)
Employment Security Department (Commissioner Karen Lee)
Office of Superintendent of Public Instruction (Terry Bergeson – Designee John Aultman)
State Board for Community and Technical Colleges (Charlie Earl)
12 Workforce Development Councils (Kris Stadelman, CEO Seattle-King county WDC)

Other Stakeholders

Labor: Rick Bender (Washington State Labor Council AFL-CIO), Janet Lewis (IBEW46), Beth Thew (Spokane Regional Labor Council)
Business representatives: Mike Hudson (AWB), Martin Bean (Microsoft) and Creigh Agnew (formerly Weyerhaeuser)
Member representing Target Populations: Tony Lee (Fremont Public Association and Policy Director at the Statewide Poverty Action Network)

Summary of Agency and Stakeholder Positions

Workforce Training and Education Coordinating Board

The Workforce Board supported this legislative proposal at their meeting on September 25. The members of the Board represent the major stakeholders in the Workforce Development System and recognize the increase in efficiency that this will afford the Workforce Board, and also their own organizations.

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Code Reviser Draft: See enclosed **xxx**

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

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0154.3/09 3rd draft

ATTY/TYPIST: SCG:ean

BRIEF DESCRIPTION: Changing the timeline for the state
comprehensive plan for workforce training and
education.

1 AN ACT Relating to changing the timeline for the state
2 comprehensive plan for workforce training and education; and amending
3 RCW 28C.18.080.

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

5 **Sec. 1.** RCW 28C.18.080 and 1997 c 369 s 5 are each amended to read
6 as follows:

7 (1) (~~The state comprehensive plan for workforce training and~~
8 ~~education shall be updated every two years and presented to the~~
9 ~~governor and the appropriate legislative policy committees.)) The board
10 shall develop a state comprehensive plan for workforce training and
11 education for a ten-year time period. The board shall submit the ten-
12 year state comprehensive plan to the governor and the appropriate
13 legislative policy committees. Every four years by December 1st,
14 beginning December 1, 2012, the board shall submit an update of the
15 ten-year state comprehensive plan for workforce training and education
16 to the governor and the appropriate legislative policy committees.
17 Following public hearings, the legislature shall, by concurrent
18 resolution, approve or recommend changes to the initial plan and the~~

1 updates. The plan shall then become the state's workforce training
2 policy unless legislation is enacted to alter the policies set forth in
3 the plan.

4 (2) The comprehensive plan shall include workforce training role
5 and mission statements for the workforce development programs of
6 operating agencies represented on the board and sufficient specificity
7 regarding expected actions by the operating agencies to allow them to
8 carry out actions consistent with the comprehensive plan.

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

15 (4) The comprehensive plan shall include recommendations to the
16 legislature and the governor on the modification, consolidation,
17 initiation, or elimination of workforce training and education programs
18 in the state.

19 (5) The comprehensive plan shall address how the state's workforce
20 development system will meet the needs of employers hiring for
21 industrial projects of statewide significance.

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

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