
SUBSTITUTE SENATE BILL 5847

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Trade, Technology & Economic Development
(originally sponsored by Senators Owen, Hargrove and Snyder)

Read first time 03/03/93.

1 AN ACT Relating to unemployment; adding a new chapter to Title 43
2 RCW; and making an appropriation.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that:

5 (1) Structural changes in the state's economy have resulted in the
6 permanent loss of industrial jobs as a result of plant closures,
7 business failures, and layoffs.

8 (2) These permanent job losses and major changes in the state's
9 industries and occupations have led to a large increase in the number
10 of unemployment compensation claimants who exhaust their benefits
11 without finding a job.

12 (3) High levels of permanent job losses and unemployed workers
13 exhausting their unemployment benefits have resulted in large increases
14 in social costs such as unemployment compensation, public assistance,
15 health programs, and lost taxes normally paid by workers and
16 businesses. Local communities also suffer from increased social costs
17 resulting from rising demands for services by long-term unemployed
18 workers and their families.

1 NEW SECTION. **Sec. 2.** It is the intent of the legislature to
2 develop a comprehensive, state-wide policy to reduce the levels of
3 permanent job losses and the number of unemployment compensation
4 exhaustees. It is the purpose of this act to:

5 (1) Authorize and fund the creation of a state-wide business and
6 job retention program that places primary reliance on locally based
7 business and job retention programs to assist businesses that are
8 likely to close, fail, or experience a permanent mass layoff. The
9 state's primary role in the business and job retention program is to
10 provide continuing financial and technical assistance and training to
11 the locally based business and job retention programs to ensure their
12 success.

13 NEW SECTION. **Sec. 3.** There is established within the department
14 of trade and economic development the business and job retention
15 program. An exempt position is hereby created at the division director
16 level within the department of trade and economic development for the
17 managing director of the business and job retention program. The
18 managing director shall be appointed by the governor and shall serve
19 under the direction of the director of trade and economic development
20 at the governor's pleasure. In carrying out the purposes of this
21 chapter, the managing director shall solicit volunteer assistance; work
22 with the business assistance center, the small business development
23 centers, the department of community development's employee ownership
24 program, local early warning programs, local reemployment centers,
25 labor representatives, and other appropriate public and private
26 agencies and organizations; and contract with private consultants for
27 such services as the managing director deems advisable.

28 NEW SECTION. **Sec. 4.** The managing director shall appoint an
29 advisory committee having equal representation from businesses,
30 government, and labor organizations, and representatives of work force
31 training and education programs. The managing director shall consult
32 with the advisory committee in developing implementation plans for
33 carrying out this chapter and shall monitor implementation and
34 operations of the state and regional components of the program.
35 Members of the advisory committee shall receive no compensation but
36 shall be reimbursed for travel expenses under RCW 43.03.050 and
37 43.03.060.

1 NEW SECTION. **Sec. 5.** The managing director, after consultation
2 with the advisory committee, shall:

3 (1) Designate service delivery regions in the state, each of which
4 shall have at least one county and no more than six counties;

5 (2) Put out requests for proposals for the operation of business
6 and job retention programs for each region. The managing director
7 shall evaluate the proposals and select a program for each region based
8 on the proposed programs':

9 (a) Inclusion of representatives of business, labor, training
10 institutions, and local government;

11 (b) Plan for administration of surveys of businesses, utilities,
12 employees, financial institutions, and community groups to gather
13 information about business needs, expansion plans, relocation
14 decisions, training needs, potential layoffs, financing needs, the
15 availability of financing and other appropriate information about
16 economic trends, and specific employer and employee needs in the
17 region; and

18 (c) Plan for delivery of job retention and business retention and
19 expansion services including job skills training, production process
20 analysis, product development assistance, marketing, and financial and
21 other management services;

22 The local programs shall be required to provide a local matching
23 contribution to the operation of the program;

24 (3) Develop a model local economic survey and assist the regional
25 business and job retention program in administering a survey in each
26 region;

27 (4) Designate proposed criteria for receipt of services offered by
28 the regional programs to businesses, labor unions, employee groups,
29 community groups, local governments, and port districts. Such
30 criteria shall include the number of employees affected, the type of
31 business involved, reemployment potential of employees, severity of
32 problems affecting the business or work force, skill level of the work
33 force, availability of financing, and the social and economic costs of
34 layoffs or closure;

35 (5) Be responsible for the development and implementation of
36 training programs for the regional business and job retention programs.
37 The training programs shall be designed to assist the programs in
38 administering economic surveys, developing and coordinating local

1 resources, assessing the need for outside resources, and locating other
2 public and private resources needed to assist firms; and

3 (6) Shall provide or coordinate the delivery of technical and
4 managerial assistance upon request from the local business and job
5 retention programs in the areas of financial management, marketing,
6 product development, production process analysis, training, and other
7 business services.

8 NEW SECTION. **Sec. 6.** The local business and job retention
9 programs shall provide marketing, technical, managerial, and training
10 assistance or referral appropriate to client businesses, unions,
11 employee groups, and work forces. The programs shall initiate contact
12 with those firms or employees indicating, through the economic surveys
13 or otherwise, the potential for closure, mass layoff, or relocation.
14 For firms or employees not indicating such potential, the provision of
15 services from the programs shall be in response to direct requests from
16 firms, labor unions, employee groups, community groups, local
17 governments, and port districts. Where appropriate, program
18 coordinators shall assist local governments or organizations in
19 applying for local development matching funds from the department of
20 community development.

21 The local program shall coordinate the delivery of technical,
22 managerial, financial, training, and other assistance. The program
23 shall work with the employment security department, private industry
24 councils, and local reemployment centers.

25 NEW SECTION. **Sec. 7.** In addition to the responsibilities set
26 forth in sections 3 through 6 of this act, the department of trade and
27 economic development shall draw upon its existing resources, employment
28 and economic data from the employment security department, and data
29 from the department of licensing and the department of revenue and
30 other sources, to do nonduplicative analyses of trends in the state's
31 industries and work forces. The department shall make such analyses
32 available to relevant businesses, labor organizations or work forces,
33 local governments, economic development organizations, early warning
34 programs, and business and job retention programs, and shall work with
35 them to develop long-term strategies for economic growth and
36 revitalization.

1 NEW SECTION. **Sec. 8.** The employment security department shall:

2 (1) Track numbers of dislocated workers and part-time workers in
3 the state;

4 (2) Assess the number and causes of permanent mass layoffs and
5 closures using a modified permanent mass layoff and plant closure data
6 base that is presently funded by the federal government;

7 (3) Supply the managing director with data under subsections (1)
8 and (2) of this section, which will allow the state and local
9 components of the program to prioritize delivery of service to
10 distressed, mature, and cyclical industries;

11 (4) Provide information and assistance to the program on training
12 resources available through the department;

13 (5) Offer any businesses assisted by the program its first source
14 hiring services; and

15 (6) Work with the department of social and health services to track
16 dislocated workers who exhaust their unemployment compensation benefits
17 and begin collecting public assistance.

18 NEW SECTION. **Sec. 9.** The managing director shall publish an
19 annual report that shall be made available to the appropriate
20 committees of the senate and the house of representatives. The report
21 shall include the following:

22 (1) The number of businesses, labor unions, employee groups, local
23 governments, and port districts assisted under this chapter;

24 (2) The types of assistance provided; and

25 (3) The number of businesses and jobs retained through assistance
26 rendered under this chapter.

27 These reporting requirements shall be disaggregated by county,
28 standard industrial classification, and size of firm.

29 NEW SECTION. **Sec. 10.** The sum of nine hundred sixty thousand
30 dollars, or as much thereof as may be necessary, is appropriated for
31 the biennium ending June 30, 1995, from the general fund to the
32 department of trade and economic development for the purposes of this
33 act.

1 NEW SECTION. **Sec. 11.** Sections 1 through 9 of this act shall
2 constitute a new chapter in Title 43 RCW.

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