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SENATE BILL 5847

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State of Washington

53rd Legislature

1993 Regular Session

By Senators Owen, Hargrove and Snyder

Read first time 02/17/93. Referred to Committee on Trade, Technology & Economic Development.

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

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 (4) A significant percentage of the increase in the public  
2 assistance caseloads results from unemployed workers who exhaust their  
3 unemployment benefits without finding employment.

4 (5) Rising long-term unemployment increases the number of families  
5 with social, medical, emotional, and financial problems which require  
6 outside assistance and intervention.

7 (6) Many communities in the state have inadequate and poorly  
8 coordinated resources and programs to assist the unemployed in coping  
9 with their problems that are associated with unemployment.

10 (7) The lack of coordinated and effective services for the  
11 unemployed seriously hampers their ability to conduct an effective work  
12 search and may have the effect of prolonging their unemployment and  
13 increasing the possibility of exhausting their unemployment benefits  
14 and entering the public assistance caseloads.

15 (8) Businesses also suffer from rising levels of long-term  
16 unemployment as many of their customers are forced into bankruptcy and  
17 mortgage foreclosures.

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

22 (1) Authorize and fund the creation of a state-wide business and  
23 job retention program that places primary reliance on locally based  
24 business and job retention teams to assist businesses that are likely  
25 to close, fail, or experience a permanent mass layoff. The state's  
26 primary role in the business and job retention program is to provide  
27 continuing financial and technical assistance and training to the  
28 locally based business and job retention teams to ensure their success;  
29 and

30 (2) Develop a comprehensive policy to reduce the number of  
31 unemployment compensation exhaustees and the long-term unemployed.  
32 This goal can be achieved by providing an array of services to the  
33 long-term unemployed and older unemployed workers as defined in RCW  
34 50.62.020.

35 NEW SECTION. **Sec. 3.** There is established within the department  
36 of community development the business and job retention program. An  
37 exempt position is hereby created at the division director level within

1 the department of community development for the managing director of  
2 the business and job retention program. The managing director shall be  
3 appointed by the governor and shall serve under the direction of the  
4 director of trade and economic development at the governor's pleasure.  
5 In carrying out the purposes of this chapter, the managing director  
6 shall solicit volunteer assistance; work with the business assistance  
7 center, the small business development centers, the department's  
8 employee ownership program, local early warning programs, local  
9 reemployment centers, labor representatives, and other appropriate  
10 public and private agencies and organizations; and contract with  
11 private consultants for such services as the managing director deems  
12 advisable.

13 NEW SECTION. **Sec. 4.** The managing director shall appoint an  
14 advisory committee having equal representation from local businesses,  
15 local government, and local labor organizations, and representatives of  
16 work force training and education programs, associate development  
17 organizations, community-based economic development organizations,  
18 local early warning programs, local reemployment centers, and other  
19 advocates for dislocated and unemployed workers. The managing director  
20 shall consult with the advisory committee in developing implementation  
21 plans for carrying out this chapter and shall monitor implementation  
22 and operations of the state and regional components of the program.  
23 Members of the advisory committee shall receive no compensation but  
24 shall be reimbursed for travel expenses under RCW 43.03.050 and  
25 43.03.060.

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

28 (1) Designate no more than fifteen service delivery regions in the  
29 state, each of which shall have no less than one county and no more  
30 than six counties;

31 (2) Put out requests for proposals for the operation of business  
32 and job retention teams for each region. The managing director shall  
33 evaluate the proposals and select a team for each region based on the  
34 proposed teams':

35 (a) Inclusion of representatives of business, labor, training  
36 institutions, and local government;

1 (b) Plan for administration of surveys of businesses, utilities,  
2 employees, financial institutions, and community groups to gather  
3 information about business needs, expansion plans, relocation  
4 decisions, training needs, potential layoffs, financing needs, the  
5 availability of financing and other appropriate information about  
6 economic trends, and specific employer and employee needs in the  
7 region; and

8 (c) Plan for delivery of job retention and business retention and  
9 expansion services including entrepreneurial training, job skills  
10 training, production process analysis, product development assistance,  
11 marketing, and financial and other management services;

12 (3) Develop a model local economic survey and assist the regional  
13 business and job retention team in administering a survey in each  
14 region;

15 (4) Designate proposed criteria for receipt of services offered by  
16 the regional teams to businesses, labor unions, employee groups,  
17 community groups, local governments, and port districts. Such  
18 criteria shall include the number of employees affected, the type of  
19 business involved, reemployment potential of employees, severity of  
20 problems affecting the business or work force, skill level of the work  
21 force, availability of financing, and the social and economic costs of  
22 layoffs or closure;

23 (5) Be responsible for the development and implementation of  
24 training programs for the regional business and job retention team  
25 coordinators and teams. The training programs shall be designed to  
26 assist the teams in administering economic surveys, developing and  
27 coordinating local resources, assessing the need for outside resources,  
28 and locating other public and private resources needed to assist firms;  
29 and

30 (6) Shall provide or coordinate the delivery of technical and  
31 managerial assistance upon request from the local business and job  
32 retention team coordinator in the areas of financial management,  
33 marketing, product development, production process analysis, training,  
34 and other business services.

35 NEW SECTION. **Sec. 6.** The business and job retention teams shall  
36 provide marketing, technical, managerial, and training assistance  
37 appropriate to client businesses, unions, employee groups, and work  
38 forces. The teams shall initiate contact with those firms or employees

1 indicating, through the economic surveys or otherwise, the potential  
2 for closure, mass layoff, or relocation. For firms or employees not  
3 indicating such potential, the provision of services from the teams  
4 shall be in response to direct requests from firms, labor unions,  
5 employee groups, community groups, local governments, and port  
6 districts. The team coordinator shall be responsible for conducting an  
7 initial assessment of firms or work forces to determine viability,  
8 problems, and skill levels, in cooperation with any early warning  
9 programs, reemployment centers, and associate development  
10 organizations. The assessment shall include but not be limited to the  
11 public and private costs of any potential closure or layoff, the  
12 potential for preventing a closure, business failure, business  
13 relocation, or mass lay-off, the potential for a change in ownership,  
14 including worker and community buy-outs of the firm, and the costs of  
15 keeping the facility in operation. Where appropriate, team  
16 coordinators shall assist local governments or organizations in  
17 applying for local development matching funds from the department of  
18 community development.

19 After the initial assessment, the team coordinator shall coordinate  
20 the delivery of technical, managerial, financial training, and other  
21 assistance. The team coordinator shall work with the employment  
22 security department, private industry councils, and local reemployment  
23 centers to assess the need for and to ensure the provision of training  
24 services to client businesses, prelayoff services, and the  
25 establishment of programs for dislocated workers such as job clubs,  
26 retraining counseling, and the referral and delivery of social  
27 services.

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

1 them to develop long-term strategies for economic growth and  
2 revitalization.

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

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

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

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

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

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

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

20 NEW SECTION. **Sec. 9.** The department of trade and economic  
21 development shall provide resources to the business and job retention  
22 teams through its business assistance center, small business  
23 development centers, and other appropriate programs.

24 NEW SECTION. **Sec. 10.** The managing director shall publish an  
25 annual report that shall be made available to the appropriate  
26 committees of the senate and the house of representatives. The report  
27 shall include the following:

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

30 (2) The types of assistance provided; and

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

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

1        NEW SECTION.    **Sec. 11.**    Sections 1 through 10 of this act shall  
2    constitute a new chapter in Title 43 RCW.

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