
SUBSTITUTE SENATE BILL 5743

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Economic Development, Trade & Management
(originally sponsored by Senators Kastama, Kilmer and Shin)

READ FIRST TIME 02/12/07.

1 AN ACT Relating to linking economic clusters and quality management
2 practices to customized training; amending RCW 28C.04.400, 28C.04.410,
3 28C.04.420, and 43.330.080; and making appropriations.

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

5 **Sec. 1.** RCW 28C.04.400 and 1983 1st ex.s. c 21 s 1 are each
6 amended to read as follows:

7 The legislature declares that it is an important function of
8 government to increase opportunities for gainful employment, to assist
9 in promoting a productive and expanding economy, and to encourage the
10 flow of business and industry support to educational institutions.
11 Therefore, the legislature finds that it is in the public interest of
12 the state to encourage and facilitate the formation of cooperative
13 relationships between business and industry and educational
14 institutions which provide for the development and significant
15 expansion of programs of skills training and education consistent with
16 employment needs and to make interested individuals aware of the
17 employment opportunities presented thereby. It is the policy of the
18 state of Washington to ensure that programs of skill training are: (1)

1 Available on a regional basis and are utilized by a variety of
2 businesses and industries; and (2) closely linked to cluster and
3 industry specific public investments.

4 **Sec. 2.** RCW 28C.04.410 and 1999 c 121 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 RCW 28C.04.390 and 28C.04.420.

8 (1) "Applicant" means an educational institution which has made
9 application for a job skills grant under RCW 28C.04.390 and 28C.04.420.

10 (2) "Business and industry" means a private corporation,
11 institution, firm, person, group, or association concerned with
12 commerce, trades, manufacturing, or the provision of services within
13 the state, or a public or nonprofit hospital licensed by the department
14 of social and health services.

15 (3) "Dislocated worker" means an individual who meets the
16 definition of dislocated worker contained in P.L. 105-220, Sec. 101 on
17 July 25, 1999.

18 (4) "Educational institution" means a public secondary or
19 postsecondary institution, an independent institution, or a private
20 career school or college within the state authorized by law to provide
21 a program of skills training or education beyond the secondary school
22 level. Any educational institution receiving a job skills grant under
23 RCW 28C.04.420 (~~through 28C.04.480~~) shall be free of sectarian
24 control or influence as set forth in Article IX, section 4 of the state
25 Constitution.

26 (5) "Equipment" means tangible personal property which will further
27 the objectives of the supported program and for which a definite value
28 and evidence in support of the value have been provided by the donor.

29 (6) "Financial support" means any thing of value which is
30 contributed by business, industry, and others to an educational
31 institution which is reasonably calculated to support directly the
32 development and expansion of a particular program under RCW 28C.04.390
33 and 28C.04.420 and represents an addition to any financial support
34 previously or customarily provided to such educational institutions by
35 the donor. "Financial support" includes, but is not limited to, funds,
36 equipment, facilities, faculty, and scholarships for matriculating
37 students and trainees.

1 (7) "Job skills grant" means funding that is provided to an
2 educational institution by the (~~commission~~) college board for the
3 development or significant expansion of a program under RCW 28C.04.390
4 and 28C.04.420.

5 (8) "Job skills program" means a program of skills training or
6 education separate from and in addition to existing vocational
7 education programs and which:

8 (a) Provides short-term training which has been designated for
9 specific industries;

10 (b) Provides training for prospective employees before a new plant
11 opens or when existing industry expands;

12 (c) Includes training and retraining for workers already employed
13 by an existing industry or business where necessary to avoid
14 dislocation or where upgrading of existing employees would create new
15 vacancies for unemployed persons;

16 (d) Serves areas with high concentrations of economically
17 disadvantaged persons and high unemployment;

18 (e) Serves areas with new and growing industries;

19 (f) Serves areas where there is a shortage of skilled labor to meet
20 job demands; or

21 (g) Promotes the location of new industry in areas affected by
22 economic dislocation.

23 (9) "Technical assistance" means professional and any other
24 assistance provided by business and industry to an educational
25 institution, which is reasonably calculated to support directly the
26 development and expansion of a particular program and which represents
27 an addition to any technical assistance previously or customarily
28 provided to the educational institutions by the donor.

29 (10) "College board" means the state board for community and
30 technical colleges under chapter 28B.50 RCW.

31 **Sec. 3.** RCW 28C.04.420 and 1999 c 121 s 3 are each amended to read
32 as follows:

33 The college board may, subject to appropriation from the
34 legislature or from funds made available from any other public or
35 private source and pursuant to rules adopted by the college board with
36 the advice of the workforce training customer advisory committee
37 established in RCW 28C.04.390, provide job skills grants to educational

1 institutions. The job skills grants shall be used exclusively for
2 programs which are consistent with the job skills program. The college
3 board shall work in collaboration with the workforce training customer
4 advisory committee established in RCW 28C.04.390 to assure that:

5 (1) The program is within the scope of the job skills program under
6 this chapter and may reasonably be expected to succeed and thereby
7 increase employment within the state;

8 (2) Provision has been made to use any available alternative
9 funding from local, state, and federal sources;

10 (3) The job skills grant will only be used to cover the costs
11 associated with the program;

12 (4) The program will not unnecessarily duplicate existing programs
13 and could not be provided by another educational institution more
14 effectively or efficiently;

15 (5) The program involves an area of skills training and education
16 for which there is a demonstrable need;

17 (6) The applicant has made provisions for the use of existing
18 federal and state resources for student financial assistance;

19 (7) The job skills grant is essential to the success of the program
20 as the resources of the applicant are inadequate to attract the
21 technical assistance and financial support necessary for the program
22 from business and industry;

23 (8) The program represents a collaborative partnership between
24 business, industry, labor, educational institutions, and other
25 partners, as appropriate;

26 (9) The commitment of financial support from business and industry
27 shall be equal to or greater than the amount of the requested job
28 skills grant;

29 (10) Binding commitments have been made to the (~~commission~~)
30 college board by the applicant for adequate reporting of information
31 and data regarding the program to the commission, particularly
32 information concerning the recruitment and employment of trainees and
33 students, and including a requirement for an annual or other periodic
34 audit of the books of the applicant directly related to the program,
35 and for such control on the part of the (~~commission~~) college board as
36 it considers prudent over the management of the program, so as to
37 protect the use of public funds, including, in the discretion of the

1 (~~commission~~) college board and without limitation, right of access to
2 financial and other records of the applicant directly related to the
3 programs; (~~and~~)

4 (11) A provision has been made by the applicant to work, in
5 cooperation with the employment security department, to identify and
6 screen potential trainees, and that provision has been made by the
7 applicant for the participation as trainees of low-income persons
8 including temporary assistance for needy families recipients,
9 dislocated workers, and persons from minority and economically
10 disadvantaged groups to participate in the program; and

11 (12) The following will be met in regards to the job skills
12 program:

13 (a) Development of additional mechanisms for identification of, and
14 outreach to, firms with a strong potential to effectively compete in
15 the global marketplace after participating in the job skills program.
16 This should be done by using a variety of approaches, including
17 collaboration with industry and cluster associations that have
18 participated in cluster and industry specific public investment
19 programs such as industry skill panels, centers of excellence,
20 innovation zones, local cluster-based economic development initiatives,
21 and federal job training initiatives; and

22 (b) Encouragement of businesses participating in the job skills
23 program to participate in workshops or training in continuous quality
24 improvement, performance measurement, strategic planning, or other
25 approaches offered by service providers such as Washington
26 manufacturing services, the Washington quality award, or the Washington
27 technology center and designed to improve company productivity and
28 effectiveness.

29 Beginning October 1, 1999, and every two years thereafter, the
30 college board shall provide the legislature and the governor with a
31 report describing the activities and outcomes of the state job skills
32 program.

33 **Sec. 4.** RCW 43.330.080 and 1997 c 60 s 1 are each amended to read
34 as follows:

35 (1) The department shall contract with associate development
36 organizations or other local organizations to increase the support for
37 and coordination of community and economic development services in

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

13 (2) Associate development organizations or other local development
14 organizations contracted with shall promote and coordinate, through
15 local service agreements with local governments, small business
16 development centers, port districts, community and technical colleges,
17 private industry councils, and other development organizations, for the
18 efficient delivery of community and economic development services in
19 their areas.

20 (3) The department shall consult with associate development
21 organizations, port districts, local governments, and other local
22 development organizations in the establishment of service delivery
23 regions throughout the state. The legislature encourages local
24 associate development organizations to form partnerships with other
25 associate development organizations in their region to combine
26 resources for better access to available services, to encourage
27 regional delivery of state services, and to build the local capacity of
28 communities in the region more effectively.

29 (4) The department shall contract on a regional basis for surveys
30 of key sectors of the regional economy and the coordination of
31 technical assistance to businesses and employees within the key
32 sectors. The department's selection of contracting organizations or
33 consortiums shall be based on the sufficiency of the organization's or
34 consortium's proposal to examine key sectors of the local economy
35 within its region adequately and its ability to coordinate the delivery
36 of services required by businesses within the targeted sectors.
37 Organizations contracting with the department shall work closely with
38 the department to examine the local economy and to develop strategies

1 to focus on developing key sectors that show potential for long-term
2 sustainable growth. The contracting organization shall survey
3 businesses and employees in targeted sectors on a periodic basis to
4 gather information on the sector's business needs, expansion plans,
5 relocation decisions, training needs, potential layoffs, financing
6 needs, availability of financing, and other appropriate information
7 about economic trends and specific employer and employee needs in the
8 region.

9 (5) The contracting organization shall participate with the ((~~work~~
10 ~~force training and education coordinating board as created in chapter~~
11 ~~28C.18 RCW, and any regional entities~~)) state board for community and
12 technical colleges as created in RCW 28B.50.050, and any community or
13 technical colleges designated by that board, in providing for the
14 coordination of job skills training within its region.

15 NEW SECTION. Sec. 5. The sum of three million dollars, or as much
16 thereof as may be necessary, is appropriated for the fiscal year ending
17 June 30, 2008, from the general fund to the state board for community
18 and technical colleges for the purposes of this act.

19 NEW SECTION. Sec. 6. The sum of three million dollars, or as much
20 thereof as may be necessary, is appropriated for the fiscal year ending
21 June 30, 2009, from the general fund to the state board for community
22 and technical colleges for the purposes of this act.

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