SENATE BILL 6264

State of Washington 60th Legislature 2008 Regular Session

By Senator Shin; by request of Workforce Training and Education Coordinating Board

Read first time 01/14/08. Referred to Committee on Higher Education.

- 1 AN ACT Relating to clarifying terms for workforce and economic
- 2 development; amending RCW 28B.50.030, 28B.50.273, 43.330.090,
- 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 read as follows:
- As used in this chapter, unless the context requires otherwise, the term:
- 9 (1) "System" shall mean the state system of community and technical 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 college districts created by this chapter.

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

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- (7) "Occupational education" shall mean that education or training that will prepare a student for employment that does not require a baccalaureate degree, and education and training leading to an applied baccalaureate degree.
- (8) "K-12 system" shall mean the public school program including kindergarten through the twelfth grade.
- (9) "Common school board" shall mean a public school district board of directors.
- (10) "Community college" shall include those higher education institutions that conduct education programs under RCW 28B.50.020.
- (11) "Technical college" shall include those higher education institutions with the sole mission of conducting occupational education, basic skills, literacy programs, and offering on short notice, when appropriate, programs that meet specific industry needs. The programs of technical colleges shall include, but not be limited to, continuous enrollment, competency-based instruction, industry-experienced faculty, curriculum integrating vocational and basic skills education, and curriculum approved by representatives of employers and labor. For purposes of this chapter, technical colleges shall include Lake Washington Vocational-Technical Institute, Renton Vocational-Technical Institute, Clover Park Vocational Institute, and Bellingham Vocational-Technical Institute.
- (12) "Adult education" shall mean all education or instruction, including academic, vocational education or training, basic skills and literacy training, and "occupational education" provided by public educational institutions, including common school districts for persons who are eighteen years of age and over or who hold a high school diploma or certificate. However, "adult education" shall not include academic education or instruction for persons under twenty-one years of age who do not hold a high school degree or diploma and who are attending a public high school for the sole purpose of obtaining a high school diploma or certificate, nor shall "adult education" include education or instruction provided by any four year public institution of higher education.

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

- (14) "Forest products worker" shall mean a worker in the forest products industries affected by the reduction of forest fiber enhancement, transportation, or production. The workers included within this definition shall be determined by the employment security department, but shall include workers employed in the industries assigned the major group standard industrial classification codes "24" and "26" and the industries involved in the harvesting and management of logs, transportation of logs and wood products, processing of wood products, and the manufacturing and distribution of wood processing and logging equipment. The commissioner may adopt rules further interpreting these definitions. For the purposes of this subsection, "standard industrial classification code" means the code identified in RCW 50.29.025(3).
- (15) "Dislocated salmon fishing worker" means a finfish products worker who: (a)(i) Has been terminated or received notice of termination from employment and is unlikely to return to employment in the individual's principal occupation or previous industry because of a diminishing demand for his or her skills in that occupation or industry; or (ii) is self-employed and has been displaced from his or her business because of the diminishing demand for the business's services or goods; and (b) at the time of last separation from employment, resided in or was employed in a rural natural resources impact area.
- (16) "Salmon fishing worker" means a worker in the finfish industry affected by 1994 or future salmon disasters. The workers included within this definition shall be determined by the employment security department, but shall include workers employed in the industries

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- involved in the commercial and recreational harvesting of finfish including buying and processing finfish. The commissioner may adopt rules further interpreting these definitions.
 - (17) "Rural natural resources impact area" means:

- (a) A nonmetropolitan county, as defined by the 1990 decennial census, that meets three of the five criteria set forth in subsection (18) of this section;
- (b) A nonmetropolitan county with a population of less than forty thousand in the 1990 decennial census, that meets two of the five criteria as set forth in subsection (18) of this section; or
- (c) A nonurbanized area, as defined by the 1990 decennial census, that is located in a metropolitan county that meets three of the five criteria set forth in subsection (18) of this section.
- (18) For the purposes of designating rural natural resources impact areas, the following criteria shall be considered:
- (a) A lumber and wood products employment location quotient at or above the state average;
 - (b) A commercial salmon fishing employment location quotient at or above the state average;
 - (c) Projected or actual direct lumber and wood products job losses of one hundred positions or more;
 - (d) Projected or actual direct commercial salmon fishing job losses of one hundred positions or more; and
 - (e) An unemployment rate twenty percent or more above the state average. The counties that meet these criteria shall be determined by the employment security department for the most recent year for which data is available. For the purposes of administration of programs under this chapter, the United States post office five-digit zip code delivery areas will be used to determine residence status for eligibility purposes. For the purpose of this definition, a zip code delivery area of which any part is ten miles or more from an urbanized area is considered nonurbanized. A zip code totally surrounded by zip codes qualifying as nonurbanized under this definition is also considered nonurbanized. The office of financial management shall make available a zip code listing of the areas to all agencies and organizations providing services under this chapter.
 - (19) "Applied baccalaureate degree" means a baccalaureate degree

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

- (a) Specifically designed for individuals who hold an associate of applied science degree, or its equivalent, in order to maximize application of their technical course credits toward the baccalaureate degree; and
- (b) Based on a curriculum that incorporates both theoretical and applied knowledge and skills in a specific technical field.
 - (20) "Qualified institutions of higher education" means:
 - (a) Washington public community and technical colleges;
- (b) Private career schools that are members of an accrediting association recognized by rule of the higher education coordinating board for the purposes of chapter 28B.92 RCW; and
- (c) Washington state apprenticeship and training council-approved apprenticeship programs.
- (21) "High employer demand program of study" means an undergraduate or graduate certificate 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 substate region.
- **Sec. 2.** RCW 28B.50.273 and 2007 c 277 s 201 are each amended to 22 read as follows:
 - The college board, in partnership with business, labor, and the workforce training and education coordinating board, shall:
 - (1) Identify ((job specific training programs)) high employer demand programs of study offered by qualified postsecondary institutions that lead to a credential, certificate, or degree ((in high demand occupations, which are occupations where data show that employer demand for workers exceeds the supply of qualified job applicants throughout the state or in a specific region, and where training capacity is underutilized));
 - (2) Gain recognition of the credentials, certificates, and degrees by Washington's employers and labor organizations. The college board shall designate these recognized credentials, certificates, and degrees as "opportunity grant-eligible programs of study"; and
 - (3) Market the credentials, certificates, and degrees to potential

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- 1 students, businesses, and apprenticeship programs as a way for
- 2 individuals to advance in their careers and to better meet the needs of
- 3 industry.

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- 4 **Sec. 3.** RCW 43.330.090 and 2007 c 228 s 201 are each amended to read as follows:
- 6 (1) The department shall work with private sector organizations, 7 industry and ((cluster)) sector associations, federal agencies, state agencies that use a ((cluster)) sector-based approach to service 8 9 delivery, local governments, local associate development organizations, 10 and higher education and training institutions in the development of 11 industry ((cluster)) sector-based strategies to diversify the economy, 12 facilitate technology transfer and diffusion, and increase value-added The industry ((clusters)) sectors targeted by the 13 production. department may include, but are not limited to, aerospace, agriculture, 14 15 food processing, forest products, marine services, health and 16 biomedical, software, digital and interactive media, transportation and 17 distribution, and microelectronics. The department shall, on a continuing basis, evaluate the potential return to the state from 18 devoting additional resources to an industry ((cluster)) sector-based 19 20 approach to economic development and identifying and assisting 21 additional ((clusters)) sectors. The department shall use information gathered in each service delivery region in formulating its industry 22 23 ((cluster)) sector-based strategies and shall assist local communities 24 in identifying regional industry ((clusters)) sectors and developing industry ((cluster)) sector-based strategies. 25
 - (2)(a) The department shall promote, market, and encourage growth in the production of films and videos, as well as television commercials within the state; to this end the department is directed to assist in the location of a film and video production studio within the state.
- 31 (b) The department may, in carrying out its efforts to encourage 32 film and video production in the state, solicit and receive gifts, 33 grants, funds, fees, and endowments, in trust or otherwise, from 34 tribal, local, or other governmental entities, as well as private 35 sources, and may expend the same or any income therefrom for the 36 encouragement of film and video production. All revenue received for

such purposes shall be deposited into the film and video promotion account created in RCW 43.330.092.

- (3) In assisting in the development of regional and statewide industry ((cluster)) sector-based strategies, the department's activities shall include, but are not limited to:
- (a) Facilitating regional focus group discussions and conducting studies to identify industry clusters, appraise the current information linkages within a cluster, and identify issues of common concern within a cluster;
- (b) Supporting industry and cluster associations, publications of association and cluster directories, and related efforts to create or expand the activities of industry and cluster associations;
- (c) Administering a competitive grant program to fund activities designed to further regional cluster growth. In administering the program, the department shall work with an industry cluster advisory committee with equal representation from the work force training and education coordinating board, the state board for community and technical colleges, the employment security department, business, and labor.
- (i) The industry cluster advisory committee shall recommend criteria for evaluating applications for grant funds and recommend applicants for receipt of grant funds.
- (ii) Applicants must include organizations from at least two counties and participants from the local business community. Eligible organizations include, but are not limited to, local governments, economic development councils, chambers of commerce, federally recognized Indian tribes, workforce development councils, and educational institutions.
- 29 (iii) Applications must evidence financial participation of the 30 partner organizations.
- (iv) Priority shall be given to applicants which will use the grant funds to build linkages and joint projects, to develop common resources and common training, and to develop common research and development projects or facilities.
- 35 (v) The maximum amount of a grant is one hundred thousand dollars.
- (vi) A maximum of one hundred thousand dollars total can go to King, Pierce, Kitsap, and Snohomish counties combined.

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- 1 (vii) No more than ten percent of funds received for the grant 2 program may be used by the department for administrative costs.
 - (4) As used in ((subsection (3) of)) this section((-)):

- (a) "Industry cluster" means a geographic concentration of interdependent competitive firms that do business with each other((\cdot "Industry cluster" also includes)), including firms that sell inside and outside of the geographic region as well as support firms that supply raw materials, components, and business services, and other institutions including government and education.
- 10 (b) "Sector" means a group of industries with similar business
 11 processes, products, or services, such as construction or health
 12 services; formerly categorized by the standard industrial
 13 classification system, now categorized by the North American industry
 14 classification system.
- **Sec. 4.** RCW 51.32.099 and 2007 c 72 s 2 are each amended to read 16 as follows:
 - (1)(a) The legislature intends to create improved vocational outcomes for Washington state injured workers and employers through legislative and regulatory change under a pilot program for the period of January 1, 2008, through June 30, 2013. This pilot vocational system is intended to allow opportunities for eligible workers to participate in meaningful retraining in high demand occupations, improve successful return to work and achieve positive outcomes for workers, reduce the incidence of repeat vocational services, increase accountability and responsibility, and improve cost predictability. To facilitate the study and evaluation of the results of the proposed changes, the department shall establish the temporary funding of certain state fund vocational costs through the medical aid account to ensure the appropriate assessments to employers for the costs of their claims for vocational services in accordance with RCW 51.32.0991.
 - (b) An independent review and study of the effects of the pilot program shall be conducted to determine whether it has achieved the appropriate outcomes at reasonable cost to the system. The review shall include, at a minimum, a report on the department's performance with regard to the provision of vocational services, the skills acquired by workers who receive retraining services, the types of training programs approved, whether the workers are employed, at what

jobs and wages after completion of the training program and at various times subsequent to their claim closure, the number and demographics of workers who choose the option provided in subsection (4)(b) of this section, and their employment and earnings status at various times subsequent to claim closure. The department may adopt rules, in collaboration with the subcommittee created under (c)(iii) of this subsection, to further define the scope and elements of the required study. Reports of the independent researcher are due on December 1, 2010, December 1, 2011, and December 1, 2012.

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- (c) In implementing the pilot program, the department shall:
- (i) Establish a vocational initiative project that includes participation by the department as a partner with WorkSource, the established state system that administers the federal workforce investment act of 1998. As a partner, the department shall place vocational professional full-time employees at pilot WorkSource locations; refer some workers for vocational services to these vocational professionals; and work with employers in work source pilot areas to market the benefits of on-the-job training programs and with community colleges to reserve slots in high employer demand programs of study as defined in RCW 28B.50.030. These on-the-job training programs and community college slots may be considered by both department and sector vocational professionals for vocational The department will also assist stakeholders development. developing additional vocational training programs in industries, including but not limited to agriculture and construction. These programs will expand the choices available to injured workers in developing their vocational training plans with the assistance of vocational professionals.
- (ii) Develop and maintain a register of state fund and self-insured workers who have been retrained or have selected any of the vocational options described in this section for at least the duration of the pilot program.
- (iii) Create a vocational rehabilitation subcommittee made up of members appointed by the director for at least the duration of the pilot program. This subcommittee shall provide the business and labor partnership needed to maintain focus on the intent of the pilot program, as described in this section, and provide consistency and transparency to the development of rules and policies. The

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subcommittee shall report to the director at least annually and recommend to the director and the legislature any additional statutory changes needed, which may include extension of the pilot period. The subcommittee shall provide input and oversight with the department concerning the study required under (b) of this subsection. The subcommittee shall provide recommendations for additional changes or incentives for injured workers to return to work with their employer of injury.

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- (iv) The department shall develop an annual report concerning Washington's workers' compensation vocational rehabilitation system to the legislature and to the subcommittee by December 1, 2009, and annually thereafter with the final report due by December 1, 2012. The annual report shall include the number of workers who have participated in more than one vocational training plan beginning with plans approved on January 1, 2008, and in which industries those workers were employed. The final report shall include the department's assessment and recommendations for further legislative action, in collaboration with the subcommittee.
- (2)(a) For the purposes of this section, the day the worker commences vocational plan development means the date the department or self-insurer notifies the worker of his or her eligibility for plan development services.
- (b) When vocational rehabilitation is both necessary and likely to make the worker employable at gainful employment, he or she shall be provided with services necessary to develop a vocational plan that, if completed, would render the worker employable. The vocational professional assigned to the claim shall, at the initial meeting with the worker, fully inform the worker of the return-to-work priorities set forth in RCW 51.32.095(2) and of his or her rights and responsibilities under the workers' compensation vocational system. The department shall provide tools to the vocational professional for communicating this and other information required by RCW 51.32.095 and this section to the worker.
- (c) On the date the worker commences vocational plan development, the department shall also inform the employer in writing of the employer's right to make a valid return-to-work offer during the first fifteen days following the commencement of vocational plan development. To be valid, the offer must be for bona fide employment with the

employer of injury, consistent with the worker's documented physical and mental restrictions as provided by the worker's health care provider. When the employer makes a valid return-to-work offer, the vocational plan development services and temporary total disability compensation shall be terminated effective ((\{\frac{1}{0}\text{-1}\})) on the starting date for the job without regard to whether the worker accepts the return-to-work offer. Following the fifteen-day period, the employer may still provide, and the worker may accept, any valid return-to-work offer. The worker's acceptance of such an offer shall result in the termination of vocational plan development or implementation services and temporary total disability compensation effective the day the employment begins.

- (3)(a) All vocational plans must contain an accountability agreement signed by the worker detailing expectations regarding progress, attendance, and other factors influencing successful participation in the plan. Failure to abide by the agreed expectations shall result in suspension of vocational benefits pursuant to RCW 51.32.110.
- (b) Any formal education included as part of the vocational plan must be for an accredited or licensed program or other program approved by the department. The department shall develop rules that provide criteria for the approval of nonaccredited or unlicensed programs.
- (c) The vocational plan for an individual worker must be completed and submitted to the department within ninety days of the day the worker commences vocational plan development. The department may extend the ninety days for good cause. Criteria for good cause shall be provided in rule. The frequency and reasons for good cause extensions shall be reported to the subcommittee created under subsection (1)(c)(iii) of this section.
- (d) Costs for the vocational plan may include books, tuition, fees, supplies, equipment, child or dependent care, training fees for on-the-job training, the cost of furnishing tools and other equipment necessary for self-employment or reemployment, and other necessary expenses in an amount not to exceed twelve thousand dollars. This amount shall be adjusted effective July 1 of each year for vocational plans or retraining benefits available under subsection (4)(b) of this section approved on or after this date but before June 30 of the next

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year based on the average percentage change in tuition for the next fall quarter for all Washington state community colleges.

- (e) The duration of the vocational plan shall not exceed two years from the date the plan is implemented. The worker shall receive temporary total disability compensation under RCW 51.32.090 and the cost of transportation while he or she is actively and successfully participating in a vocational plan.
- (f) If the worker is required to reside away from his or her customary residence, the reasonable cost of board and lodging shall also be paid.
- (4) Vocational plan development services shall be completed within ninety days of commencing. During vocational plan development the worker shall, with the assistance of a vocational professional, participate in vocational counseling and occupational exploration to include, but not be limited to, identifying possible job goals, training needs, resources, and expenses, consistent with the worker's physical and mental status. A vocational rehabilitation plan shall be developed by the worker and the vocational professional and submitted to the department or self-insurer. Following this submission, the worker shall elect one of the following options:
- (a) Option 1: The department or self-insurer implements and the worker participates in the vocational plan developed by the vocational professional and approved by the worker and the department or self-insurer. For state fund claims, the department must review and approve the vocational plan before implementation may begin. If the department takes no action within fifteen days, the plan is deemed approved. The worker may, within fifteen days of approval of the plan by the department, elect option 2.
- (i) Following successful completion of the vocational plan, any subsequent assessment of whether vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful employment under RCW 51.32.095(1) shall include consideration of transferable skills obtained in the vocational plan.
- (ii) If a vocational plan is successfully completed on a claim which is thereafter reopened as provided in RCW 51.32.160, the cost and duration available for any subsequent vocational plan is limited to that in subsection (3)(d) and (e) of this section, less that previously expended.

- (b) Option 2: The worker declines further vocational services 1 2 under the claim and receives an amount equal to six months of temporary total disability compensation under RCW 51.32.090. The award is 3 payable in biweekly payments in accordance with the schedule of 4 temporary total disability payments, until such award is paid in full. 5 These payments shall not include interest on the unpaid balance. 6 7 However, upon application by the worker, and at the discretion of the department, the compensation may be converted to a lump sum payment. 8 The vocational costs defined in subsection (3)(d) of this section shall 9 10 remain available to the worker, upon application to the department or self-insurer, for a period of five years. The vocational costs shall, 11 12 if expended, be available for programs or courses at any accredited or 13 licensed institution or program from a list of those approved by the 14 department for tuition, books, fees, supplies, equipment, and tools, without department or self-insurer oversight. The department shall 15 issue an order as provided in RCW 51.52.050 confirming the option 2 16 17 election, setting a payment schedule, and terminating temporary total disability benefits. The department shall thereafter close the claim. 18
 - (i) If within five years from the date the option 2 order becomes final, the worker is subsequently injured or suffers an occupational disease or reopens the claim as provided in RCW 51.32.160, and vocational rehabilitation is found both necessary and likely to enable the injured worker to become employable at gainful employment under RCW 51.32.095(1), the duration of any vocational plan under subsection (3)(e) of this section shall not exceed eighteen months.

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- (ii) If the available vocational costs are utilized by the worker, any subsequent assessment of whether vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful employment under RCW 51.32.095(1) shall include consideration of the transferable skills obtained.
- (iii) If the available vocational costs are utilized by the worker and the claim is thereafter reopened as provided in RCW 51.32.160, the cost available for any vocational plan is limited to that in subsection (3)(d) of this section less that previously expended.
 - (iv) Option 2 may only be elected once per worker.
- (c) The director, in his or her sole discretion, may provide the worker vocational assistance not to exceed that in subsection (3) of

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this section, without regard to the worker's prior option selection or benefits expended, where vocational assistance would prevent permanent total disability under RCW 51.32.060.

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- (5)(a) As used in this section, "vocational plan interruption" means an occurrence which disrupts the plan to the extent the employability goal is no longer attainable. "Vocational plan interruption" does not include institutionally scheduled breaks in educational programs, occasional absence due to illness, or modifications to the plan which will allow it to be completed within the cost and time provisions of subsection (3)(d) and (e) of this section.
- (b) When a vocational plan interruption is beyond the control of the worker, the department or self-insurer shall recommence plan development. If necessary to complete vocational services, the cost and duration of the plan may include credit for that expended prior to the interruption. A vocational plan interruption is considered outside the control of the worker when it is due to the closure of the accredited institution, when it is due to a death in the worker's immediate family, or when documented changes in the worker's accepted medical conditions prevent further participation in the vocational plan.
- (c) When a vocational plan interruption is the result of the worker's actions, the worker's entitlement to benefits shall be suspended in accordance with RCW 51.32.110. If plan development or implementation is recommenced, the cost and duration of the plan shall not include credit for that expended prior to the interruption. vocational plan interruption is considered a result of the worker's actions when it is due to the failure to meet attendance expectations set by the training or educational institution, failure to achieve passing grades or acceptable performance review, unaccepted or postinjury conditions that prevent further participation vocational plan, or the worker's failure to abide by the accountability agreement per subsection (3)(a) of this section.
- **Sec. 5.** RCW 74.08A.250 and 2006 c 107 s 2 are each amended to read 35 as follows:
- Unless the context clearly requires otherwise, as used in this chapter, "work activity" means:

- (1) Unsubsidized paid employment in the private or public sector;
- 2 (2) Subsidized paid employment in the private or public sector, 3 including employment through the state or federal work-study program 4 for a period not to exceed twenty-four months;
 - (3) Work experience, including:

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- (a) An internship or practicum, that is paid or unpaid and is required to complete a course of vocational training or to obtain a license or certificate in a high demand ((field)) occupation, as determined by the employment security department. No internship or practicum shall exceed twelve months; or
- 11 (b) Work associated with the refurbishing of publicly assisted 12 housing, if sufficient paid employment is not available;
 - (4) On-the-job training;
 - (5) Job search and job readiness assistance;
 - (6) Community service programs;
- 16 (7) Vocational educational training, not to exceed twelve months 17 with respect to any individual;
 - (8) Job skills training directly related to employment;
 - (9) Education directly related to employment, in the case of a recipient who has not received a high school diploma or a GED;
 - (10) Satisfactory attendance at secondary school or in a course of study leading to a GED, in the case of a recipient who has not completed secondary school or received such a certificate;
 - (11) The provision of child care services to an individual who is participating in a community service program;
 - (12) Internships, that shall be paid or unpaid work experience performed by an intern in a business, industry, or government or nongovernmental agency setting;
 - (13) Practicums, which include any educational program in which a student is working under the close supervision of a professional in an agency, clinic, or other professional practice setting for purposes of advancing their skills and knowledge;
- 33 (14) Services required by the recipient under RCW 74.08.025(3) and 74.08A.010(3) to become employable; and
- 35 (15) Financial literacy activities designed to be effective in 36 assisting a recipient in becoming self-sufficient and financially

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- 1 stable.
- 2 <u>NEW SECTION.</u> **Sec. 6.** Section 4 of this act expires June 30, 2013.

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