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**SUBSTITUTE HOUSE BILL 1323**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** House Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Llias, Haler, Sullivan, Sells, Hasegawa, Maxwell, Chase, Ormsby, Conway, Goodman, Morrell, Driscoll, Simpson, and Orwall; by request of Workforce Training and Education Coordinating Board)

READ FIRST TIME 02/10/09.

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 **Sec. 1.** RCW 43.330.090 and 2007 c 228 s 201 are each amended to  
8 read as follows:

9 (1) The department shall work with private sector organizations,  
10 industry and (~~eluster~~) sector associations, federal agencies, state  
11 agencies that use a (~~eluster-based~~) sector-based approach to service  
12 delivery, local governments, local associate development organizations,  
13 and higher education and training institutions in the development of  
14 industry (~~eluster-based~~) sector-based strategies to diversify the  
15 economy, facilitate technology transfer and diffusion, and increase  
16 value-added production. The industry (~~elusters~~) sectors targeted by  
17 the department may include, but are not limited to, aerospace,  
18 agriculture, food processing, forest products, marine services, health  
19 and biomedical, software, digital and interactive media, transportation

1 and distribution, and microelectronics. The department shall, on a  
2 continuing basis, evaluate the potential return to the state from  
3 devoting additional resources to an industry (~~cluster-based~~) sector-  
4 based approach to economic development and identifying and assisting  
5 additional (~~clusters~~) sectors. (~~The department shall use~~  
6 ~~information gathered in each service delivery region in formulating its~~  
7 ~~industry cluster-based strategies and shall assist local communities in~~  
8 ~~identifying regional industry clusters and developing industry cluster-~~  
9 ~~based strategies.~~)

10 (2) The department's sector-based strategies shall include, but not  
11 be limited to, cluster-based strategies that focus on assisting  
12 regional industry sectors and related firms and institutions that meet  
13 the definition of an industry cluster in this section and based on  
14 criteria identified by the working group established in this chapter.

15 (3)(a) The department shall promote, market, and encourage growth  
16 in the production of films and videos, as well as television  
17 commercials within the state; to this end the department is directed to  
18 assist in the location of a film and video production studio within the  
19 state.

20 (b) The department may, in carrying out its efforts to encourage  
21 film and video production in the state, solicit and receive gifts,  
22 grants, funds, fees, and endowments, in trust or otherwise, from  
23 tribal, local, or other governmental entities, as well as private  
24 sources, and may expend the same or any income therefrom for the  
25 encouragement of film and video production. All revenue received for  
26 such purposes shall be deposited into the film and video promotion  
27 account created in RCW 43.330.092.

28 (~~(3)~~) (4) In assisting in the development of regional and  
29 statewide industry cluster-based strategies, the department's  
30 activities shall include, but are not limited to:

31 (a) Facilitating regional focus group discussions and conducting  
32 studies to identify industry clusters, appraise the current information  
33 linkages within a cluster, and identify issues of common concern within  
34 a cluster;

35 (b) Supporting industry and cluster associations, publications of  
36 association and cluster directories, and related efforts to create or  
37 expand the activities of industry and cluster associations;

1 (c) Administering a competitive grant program to fund economic  
2 development activities designed to further regional cluster growth. In  
3 administering the program, the department shall work with an industry  
4 cluster advisory committee with equal representation from the economic  
5 development commission, the workforce training and education  
6 coordinating board, the state board for community and technical  
7 colleges, the employment security department, business, and labor.

8 (i) The industry cluster advisory committee shall recommend  
9 criteria for evaluating applications for grant funds and recommend  
10 applicants for receipt of grant funds. Criteria shall include not  
11 duplicating the purpose or efforts of industry skill panels.

12 (ii) Applicants must include organizations from at least two  
13 counties and participants from the local business community. Eligible  
14 organizations include, but are not limited to, local governments,  
15 economic development councils, chambers of commerce, federally  
16 recognized Indian tribes, workforce development councils, and  
17 educational institutions.

18 (iii) Applications must evidence financial participation of the  
19 partner organizations.

20 (iv) Eligible activities include the formation of cluster economic  
21 development partnerships, research and analysis of economic development  
22 needs of the cluster, the development of a plan to meet the economic  
23 development needs of the cluster, and activities to implement the plan.

24 (v) Priority shall be given to applicants (~~(which)~~) that complement  
25 industry skill panels and will use the grant funds to build linkages  
26 and joint projects(~~(, to develop common resources and common training,~~  
27 ~~and to develop common research and development projects or~~  
28 ~~facilities))~~).

29 (~~(+v)~~) (vi) The maximum amount of a grant is one hundred thousand  
30 dollars.

31 (~~(+vi)~~) (vii) A maximum of one hundred thousand dollars total can  
32 go to King, Pierce, Kitsap, and Snohomish counties combined.

33 (~~(+vii)~~) (viii) No more than ten percent of funds received for the  
34 grant program may be used by the department for administrative costs.

35 (~~(+4)~~) (5) As used in (~~(subsection (3) of this section)~~) this  
36 chapter, "industry cluster" means a geographic concentration of  
37 (~~(interdependent competitive firms that do business with each other.~~  
38 ~~"Industry cluster" also includes firms that sell inside and outside of~~

1 ~~the geographic region as well as support firms that supply raw~~  
2 ~~materials, components, and business services)) interconnected companies~~  
3 ~~in a single industry, related businesses in other industries, including~~  
4 ~~suppliers and customers, and associated institutions, including~~  
5 ~~government and education.~~

6 **Sec. 2.** RCW 50.38.050 and 1993 c 62 s 5 are each amended to read  
7 as follows:

8 The department shall have the following duties:

9 (1) Oversight and management of a statewide comprehensive labor  
10 market and occupational supply and demand information system, including  
11 development of a five-year employment forecast for state and labor  
12 market areas;

13 (2) Produce local labor market information packages for the state's  
14 counties, including special studies and job impact analyses in support  
15 of state and local employment, training, education, and job creation  
16 programs, especially activities that prevent job loss, reduce  
17 unemployment, and create jobs;

18 (3) Coordinate with the office of financial management and the  
19 office of the forecast council to improve employment estimates by  
20 enhancing data on corporate officers, improving business establishment  
21 listings, expanding sample for employment estimates, and developing  
22 business entry/exit analysis relevant to the generation of occupational  
23 and economic forecasts; (~~and~~)

24 (4) In cooperation with the office of financial management, produce  
25 long-term industry and occupational employment forecasts. These  
26 forecasts shall be consistent with the official economic and revenue  
27 forecast council biennial economic and revenue forecasts; and

28 (5) Analyze labor market and economic data, including the use of  
29 input-output models, for the purpose of identifying industry clusters  
30 and strategic industry clusters that meet the criteria identified by  
31 the working group convened by the economic development commission and  
32 the workforce training and education coordinating board under chapter  
33 43.330 RCW.

34 **Sec. 3.** RCW 28B.50.030 and 2007 c 277 s 301 are each amended to  
35 read as follows:

1 As used in this chapter, unless the context requires otherwise, the  
2 term:

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

5 (2) "Board" shall mean the workforce training and education  
6 coordinating board.

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

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

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

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

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

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

22 (9) "Common school board" shall mean a public school district board  
23 of directors.

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

26 (11) "Technical college" shall include those higher education  
27 institutions with the sole mission of conducting occupational  
28 education, basic skills, literacy programs, and offering on short  
29 notice, when appropriate, programs that meet specific industry needs.  
30 The programs of technical colleges shall include, but not be limited  
31 to, continuous enrollment, competency-based instruction, industry-  
32 experienced faculty, curriculum integrating vocational and basic skills  
33 education, and curriculum approved by representatives of employers and  
34 labor. For purposes of this chapter, technical colleges shall include  
35 Lake Washington Vocational-Technical Institute, Renton Vocational-  
36 Technical Institute, Bates Vocational-Technical Institute, Clover Park  
37 Vocational Institute, and Bellingham Vocational-Technical Institute.

1 (12) "Adult education" shall mean all education or instruction,  
2 including academic, vocational education or training, basic skills and  
3 literacy training, and "occupational education" provided by public  
4 educational institutions, including common school districts for persons  
5 who are eighteen years of age and over or who hold a high school  
6 diploma or certificate. However, "adult education" shall not include  
7 academic education or instruction for persons under twenty-one years of  
8 age who do not hold a high school degree or diploma and who are  
9 attending a public high school for the sole purpose of obtaining a high  
10 school diploma or certificate, nor shall "adult education" include  
11 education or instruction provided by any four year public institution  
12 of higher education.

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

23 (14) "Forest products worker" shall mean a worker in the forest  
24 products industries affected by the reduction of forest fiber  
25 enhancement, transportation, or production. The workers included  
26 within this definition shall be determined by the employment security  
27 department, but shall include workers employed in the industries  
28 assigned the major group standard industrial classification codes "24"  
29 and "26" and the industries involved in the harvesting and management  
30 of logs, transportation of logs and wood products, processing of wood  
31 products, and the manufacturing and distribution of wood processing and  
32 logging equipment. The commissioner may adopt rules further  
33 interpreting these definitions. For the purposes of this subsection,  
34 "standard industrial classification code" means the code identified in  
35 RCW 50.29.025(3).

36 (15) "Dislocated salmon fishing worker" means a finfish products  
37 worker who: (a)(i) Has been terminated or received notice of  
38 termination from employment and is unlikely to return to employment in

1 the individual's principal occupation or previous industry because of  
2 a diminishing demand for his or her skills in that occupation or  
3 industry; or (ii) is self-employed and has been displaced from his or  
4 her business because of the diminishing demand for the business's  
5 services or goods; and (b) at the time of last separation from  
6 employment, resided in or was employed in a rural natural resources  
7 impact area.

8 (16) "Salmon fishing worker" means a worker in the finfish industry  
9 affected by 1994 or future salmon disasters. The workers included  
10 within this definition shall be determined by the employment security  
11 department, but shall include workers employed in the industries  
12 involved in the commercial and recreational harvesting of finfish  
13 including buying and processing finfish. The commissioner may adopt  
14 rules further interpreting these definitions.

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

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

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

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

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

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

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

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

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

35 (e) An unemployment rate twenty percent or more above the state  
36 average. The counties that meet these criteria shall be determined by  
37 the employment security department for the most recent year for which  
38 data is available. For the purposes of administration of programs

1 under this chapter, the United States post office five-digit zip code  
2 delivery areas will be used to determine residence status for  
3 eligibility purposes. For the purpose of this definition, a zip code  
4 delivery area of which any part is ten miles or more from an urbanized  
5 area is considered nonurbanized. A zip code totally surrounded by zip  
6 codes qualifying as nonurbanized under this definition is also  
7 considered nonurbanized. The office of financial management shall make  
8 available a zip code listing of the areas to all agencies and  
9 organizations providing services under this chapter.

10 (19) "Applied baccalaureate degree" means a baccalaureate degree  
11 awarded by a college under RCW 28B.50.810 for successful completion of  
12 a program of study that is:

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

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

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

20 (a) Washington public community and technical colleges;

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

24 (c) Washington state apprenticeship and training council-approved  
25 apprenticeship programs.

26 (21) "Center of excellence" means a community or technical college  
27 designated by the college board as a statewide leader in  
28 industry-specific, community and technical college workforce education  
29 and training.

30 NEW SECTION. Sec. 4. A new section is added to chapter 28B.50 RCW  
31 to read as follows:

32 The college board, in consultation with business, industry, labor,  
33 the workforce training and education coordinating board, the department  
34 of community, trade, and economic development, the employment security  
35 department, and community and technical colleges, shall designate  
36 centers of excellence and allocate funds to existing and new centers of  
37 excellence based on a competitive basis.



1 Eligible applicants for the program established under this section  
2 include community and technical colleges. Priority shall be given to  
3 applicants that have an established education and training program  
4 serving the targeted industry and that have in their home district or  
5 region an industry cluster with the same targeted industry at its core.

6 It is the role of centers of excellence to employ strategies to:  
7 Create educational efficiencies; build a diverse, competitive workforce  
8 for strategic industries; maintain an institutional reputation for  
9 innovation and responsiveness; develop innovative curriculum and means  
10 of delivering education and training; act as brokers of information and  
11 resources related to community and technical college education and  
12 training for a targeted industry; and serve as partners with workforce  
13 development councils, associate development organizations, and other  
14 workforce and economic development organizations.

15 Examples of strategies include but are not limited to: Sharing  
16 curriculum and other instructional resources, to ensure cost savings to  
17 the system; delivering collaborative certificate and degree programs;  
18 and holding statewide summits, seminars, conferences, and workshops on  
19 industry trends and best practices in community and technical college  
20 education and training.

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

23 Unless the context clearly requires otherwise, the definitions in  
24 this section apply throughout this title.

25 (1) "Board" means the workforce training and education coordinating  
26 board.

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

29 (3) "Training system" means programs and courses of secondary  
30 vocational education, technical college programs and courses, community  
31 college vocational programs and courses, private career school and  
32 college programs and courses, employer-sponsored training, adult basic  
33 education programs and courses, programs and courses funded by the  
34 federal workforce investment act, programs and courses funded by the  
35 federal vocational act, programs and courses funded under the federal  
36 adult education act, publicly funded programs and courses for adult  
37 literacy education, and apprenticeships, and programs and courses

1 offered by private and public nonprofit organizations that are  
2 representative of communities or significant segments of communities  
3 and provide job training or adult literacy services.

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

9 (5) "Vocational education" means organized educational programs  
10 offering a sequence of courses which are directly related to the  
11 preparation or retraining of individuals in paid or unpaid employment  
12 in current or emerging occupations requiring other than a baccalaureate  
13 or advanced degree. Such programs shall include competency-based  
14 applied learning which contributes to an individual's academic  
15 knowledge, higher-order reasoning, and problem-solving skills, work  
16 attitudes, general employability skills, and the occupational-specific  
17 skills necessary for economic independence as a productive and  
18 contributing member of society. Such term also includes applied  
19 technology education.

20 (6) "Adult basic education" means instruction designed to achieve  
21 mastery of skills in reading, writing, oral communication, and  
22 computation at a level sufficient to allow the individual to function  
23 effectively as a parent, worker, and citizen in the United States,  
24 commensurate with that individual's actual ability level, and includes  
25 English as a second language and preparation and testing service for  
26 the general education development exam.

27 (7) "Industry skill panel" means a regional partnership of  
28 business, labor, and education leaders that identifies skill gaps in a  
29 key economic cluster and enables the industry and public partners to  
30 respond to and be proactive in addressing workforce skill needs.

31 (8) "Workforce development council" means a local workforce  
32 investment board as established in P.L. 105-220 Sec. 117.

33 **Sec. 6.** RCW 28C.18.060 and 2008 c 212 s 2 are each amended to read  
34 as follows:

35 The board, in cooperation with the operating agencies of the state  
36 training system and private career schools and colleges, shall:

1 (1) Concentrate its major efforts on planning, coordination  
2 evaluation, policy analysis, and recommending improvements to the  
3 state's training system;

4 (2) Advocate for the state training system and for meeting the  
5 needs of employers and the workforce for workforce education and  
6 training;

7 (3) Establish and maintain an inventory of the programs of the  
8 state training system, and related state programs, and perform a  
9 biennial assessment of the vocational education, training, and adult  
10 basic education and literacy needs of the state; identify ongoing and  
11 strategic education needs; and assess the extent to which employment,  
12 training, vocational and basic education, rehabilitation services, and  
13 public assistance services represent a consistent, integrated approach  
14 to meet such needs;

15 (4) Develop and maintain a state comprehensive plan for workforce  
16 training and education, including but not limited to, goals,  
17 objectives, and priorities for the state training system, and review  
18 the state training system for consistency with the state comprehensive  
19 plan. In developing the state comprehensive plan for workforce  
20 training and education, the board shall use, but shall not be limited  
21 to: Economic, labor market, and populations trends reports in office  
22 of financial management forecasts; joint office of financial management  
23 and employment security department labor force, industry employment,  
24 and occupational forecasts; the results of scientifically based  
25 outcome, net-impact and cost-benefit evaluations; the needs of  
26 employers as evidenced in formal employer surveys and other employer  
27 input; and the needs of program participants and workers as evidenced  
28 in formal surveys and other input from program participants and the  
29 labor community;

30 (5) In consultation with the higher education coordinating board,  
31 review and make recommendations to the office of financial management  
32 and the legislature on operating and capital facilities budget requests  
33 for operating agencies of the state training system for purposes of  
34 consistency with the state comprehensive plan for workforce training  
35 and education;

36 (6) Provide for coordination among the different operating agencies  
37 and components of the state training system at the state level and at  
38 the regional level;

1 (7) Develop a consistent and reliable database on vocational  
2 education enrollments, costs, program activities, and job placements  
3 from publicly funded vocational education programs in this state;

4 (8)(a) Establish standards for data collection and maintenance for  
5 the operating agencies of the state training system in a format that is  
6 accessible to use by the board. The board shall require a minimum of  
7 common core data to be collected by each operating agency of the state  
8 training system;

9 (b) Develop requirements for minimum common core data in  
10 consultation with the office of financial management and the operating  
11 agencies of the training system;

12 (9) Establish minimum standards for program evaluation for the  
13 operating agencies of the state training system, including, but not  
14 limited to, the use of common survey instruments and procedures for  
15 measuring perceptions of program participants and employers of program  
16 participants, and monitor such program evaluation;

17 (10) Every two years administer scientifically based outcome  
18 evaluations of the state training system, including, but not limited  
19 to, surveys of program participants, surveys of employers of program  
20 participants, and matches with employment security department payroll  
21 and wage files. Every five years administer scientifically based net-  
22 impact and cost-benefit evaluations of the state training system;

23 (11) In cooperation with the employment security department,  
24 provide for the improvement and maintenance of quality and utility in  
25 occupational information and forecasts for use in training system  
26 planning and evaluation. Improvements shall include, but not be  
27 limited to, development of state-based occupational change factors  
28 involving input by employers and employees, and delineation of skill  
29 and training requirements by education level associated with current  
30 and forecasted occupations;

31 (12) Provide for the development of common course description  
32 formats, common reporting requirements, and common definitions for  
33 operating agencies of the training system;

34 (13) Provide for effectiveness and efficiency reviews of the state  
35 training system;

36 (14) In cooperation with the higher education coordinating board,  
37 facilitate transfer of credit policies and agreements between

1 institutions of the state training system, and encourage articulation  
2 agreements for programs encompassing two years of secondary workforce  
3 education and two years of postsecondary workforce education;

4 (15) In cooperation with the higher education coordinating board,  
5 facilitate transfer of credit policies and agreements between private  
6 training institutions and institutions of the state training system;

7 (16) Develop policy objectives for the workforce investment act,  
8 P.L. 105-220, or its successor; develop coordination criteria for  
9 activities under the act with related programs and services provided by  
10 state and local education and training agencies; and ensure that  
11 entrepreneurial training opportunities are available through programs  
12 of each local workforce investment board in the state;

13 (17) Make recommendations to the commission of student assessment,  
14 the state board of education, and the superintendent of public  
15 instruction, concerning basic skill competencies and essential core  
16 competencies for K-12 education. Basic skills for this purpose shall  
17 be reading, writing, computation, speaking, and critical thinking,  
18 essential core competencies for this purpose shall be English, math,  
19 science/technology, history, geography, and critical thinking. The  
20 board shall monitor the development of and provide advice concerning  
21 secondary curriculum which integrates vocational and academic  
22 education;

23 (18) Establish and administer programs for marketing and outreach  
24 to businesses and potential program participants;

25 (19) Facilitate the location of support services, including but not  
26 limited to, child care, financial aid, career counseling, and job  
27 placement services, for students and trainees at institutions in the  
28 state training system, and advocate for support services for trainees  
29 and students in the state training system;

30 (20) Facilitate private sector assistance for the state training  
31 system, including but not limited to: Financial assistance, rotation  
32 of private and public personnel, and vocational counseling;

33 (21) Facilitate the development of programs for school-to-work  
34 transition that combine classroom education and on-the-job training,  
35 including entrepreneurial education and training, in industries and  
36 occupations without a significant number of apprenticeship programs;

37 (22) Include in the planning requirements for local workforce  
38 investment boards a requirement that the local workforce investment

1 boards specify how entrepreneurial training is to be offered through  
2 the one-stop system required under the workforce investment act, P.L.  
3 105-220, or its successor;

4 (23) Encourage and assess progress for the equitable representation  
5 of racial and ethnic minorities, women, and people with disabilities  
6 among the students, teachers, and administrators of the state training  
7 system. Equitable, for this purpose, shall mean substantially  
8 proportional to their percentage of the state population in the  
9 geographic area served. This function of the board shall in no way  
10 lessen more stringent state or federal requirements for representation  
11 of racial and ethnic minorities, women, and people with disabilities;

12 (24) Participate in the planning and policy development of governor  
13 set-aside grants under P.L. 97-300, as amended;

14 (25) Administer veterans' programs, licensure of private vocational  
15 schools, the job skills program, and the Washington award for  
16 vocational excellence;

17 (26) Allocate funding from the state job training trust fund;

18 (27) Work with the director of community, trade, and economic  
19 development and the economic development commission to ensure  
20 coordination (~~((between))~~) among workforce training priorities, the long-  
21 term economic development strategy of the economic development  
22 commission, and (~~((that—department's))~~) economic development and  
23 entrepreneurial development efforts, including but not limited to  
24 assistance to industry clusters;

25 (28) Conduct research into workforce development programs designed  
26 to reduce the high unemployment rate among young people between  
27 approximately eighteen and twenty-four years of age. In consultation  
28 with the operating agencies, the board shall advise the governor and  
29 legislature on policies and programs to alleviate the high unemployment  
30 rate among young people. The research shall include disaggregated  
31 demographic information and, to the extent possible, income data for  
32 adult youth. The research shall also include a comparison of the  
33 effectiveness of programs examined as a part of the research conducted  
34 in this subsection in relation to the public investment made in these  
35 programs in reducing unemployment of young adults. The board shall  
36 report to the appropriate committees of the legislature by November 15,  
37 2008, and every two years thereafter. Where possible, the data

1 reported to the legislative committees should be reported in numbers  
2 and in percentages;

3 (29) Adopt rules as necessary to implement this chapter.

4 The board may delegate to the director any of the functions of this  
5 section.

6 **Sec. 7.** RCW 28C.18.080 and 1997 c 369 s 5 are each amended to read  
7 as follows:

8 (1) The state comprehensive plan for workforce training and  
9 education shall be updated every two years and presented to the  
10 governor and the appropriate legislative policy committees. Following  
11 public hearings, the legislature shall, by concurrent resolution,  
12 approve or recommend changes to the initial plan and the updates. The  
13 plan shall then become the state's workforce training policy unless  
14 legislation is enacted to alter the policies set forth in the plan.

15 (2) The comprehensive plan shall include workforce training role  
16 and mission statements for the workforce development programs of  
17 operating agencies represented on the board and sufficient specificity  
18 regarding expected actions by the operating agencies to allow them to  
19 carry out actions consistent with the comprehensive plan.

20 (3) Operating agencies represented on the board shall have  
21 operating plans for their workforce development efforts that are  
22 consistent with the comprehensive plan and that provide detail on  
23 implementation steps they will take to carry out their responsibilities  
24 under the plan. Each operating agency represented on the board shall  
25 provide an annual progress report to the board.

26 (4) The comprehensive plan shall include recommendations to the  
27 legislature and the governor on the modification, consolidation,  
28 initiation, or elimination of workforce training and education programs  
29 in the state.

30 (5) The comprehensive plan shall ~~((address how the state's~~  
31 ~~workforce development system will meet the needs of employers hiring~~  
32 ~~for industrial projects of statewide significance)) identify the~~  
33 strategic industry clusters targeted by the workforce development  
34 system. In identifying the strategic clusters, the board shall consult  
35 with the economic development commission to identify clusters that meet  
36 the criteria identified by the working group convened by the economic

1 development commission and the workforce training and education  
2 coordinating board under RCW 43.330.280.

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

7 NEW SECTION. Sec. 8. A new section is added to chapter 28C.18 RCW  
8 to read as follows:

9 (1) Workforce development councils, in partnership with local  
10 elected officials, shall develop and maintain a local unified plan for  
11 the workforce development system including, but not limited to, the  
12 local plan required by P.L. 105-220, Title I. The unified plan shall  
13 include a strategic plan that assesses local employment opportunities  
14 and skill needs, the present and future workforce, the current  
15 workforce development system, information on financial resources,  
16 diversity, goals, objectives, and strategies for the local workforce  
17 development system, and a system-wide financial strategy for  
18 implementing the plan. Local workforce development councils shall  
19 submit their strategic plans to the board for review and to the  
20 governor for approval.

21 (2) The strategic plan shall clearly articulate the connection  
22 between workforce and economic development efforts in the local area  
23 including the area industry clusters and the strategic clusters the  
24 community is targeting for growth. The plan shall include, but is not  
25 limited to:

26 (a) Data on current and projected employment opportunities in the  
27 local area;

28 (b) Identification of workforce investment needs of existing  
29 businesses and businesses considering location in the region, with  
30 special attention to industry clusters;

31 (c) Identification of educational, training, employment, and  
32 support service needs of jobseekers and workers in the local area,  
33 including individuals with disabilities and other underrepresented  
34 talent sources;

35 (d) Analysis of the industry demand, potential labor force supply,  
36 and educational, employment, and workforce support available to  
37 businesses and jobseekers in the region; and



1 (e) Collaboration with associate development organizations in  
2 regional planning efforts involving combined strategies around  
3 workforce development and economic development policies and programs.  
4 Combined planning efforts shall include, but not be limited to,  
5 assistance to industry clusters in the area.

6 (3) The board shall work with workforce development councils to  
7 develop implementation and funding strategies for purposes of this  
8 section.

9 **Sec. 9.** RCW 43.162.020 and 2007 c 232 s 4 are each amended to read  
10 as follows:

11 The Washington state economic development commission shall:

12 (1) Concentrate its major efforts on planning, coordination,  
13 evaluation, policy analysis, and recommending improvements to the  
14 state's economic development system using, but not limited to, the  
15 "Next Washington" plan and the global competitiveness council  
16 recommendations;

17 (2) Develop and maintain on a biennial basis a state comprehensive  
18 plan for economic development, including but not limited to goals,  
19 objectives, and priorities for the state economic development system;  
20 identify the elements local associate development organizations must  
21 include in their countywide economic development plans; and review the  
22 state system for consistency with the state comprehensive plan. The  
23 plan shall include the industry clusters in the state and the strategic  
24 clusters targeted by the commission for economic development efforts.  
25 The commission shall consult with the workforce training and education  
26 coordinating board and include labor market and economic information by  
27 the employment security department in developing the list of clusters  
28 and strategic clusters that meet the criteria identified by the working  
29 group convened by the economic development commission and the workforce  
30 training and education coordinating board under chapter 43.330 RCW. In  
31 developing the state comprehensive plan for economic development, the  
32 commission shall use, but may not be limited to: Economic, labor  
33 market, and populations trend reports in office of financial management  
34 forecasts; the annual state economic climate report prepared by the  
35 economic climate council; joint office of financial management and  
36 employment security department labor force, industry employment, and  
37 occupational forecasts; the results of scientifically based outcome

1 evaluations; the needs of industry associations, industry clusters,  
2 businesses, and employees as evidenced in formal surveys and other  
3 input;

4 (3) Establish and maintain an inventory of the programs of the  
5 state economic development system and related state programs; perform  
6 a biennial assessment of the ongoing and strategic economic development  
7 needs of the state; and assess the extent to which the economic  
8 development system and related programs represent a consistent,  
9 coordinated, efficient, and integrated approach to meet such needs; and

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

15 The commission may delegate to the executive director any of the  
16 functions of this section.

17 **Sec. 10.** RCW 43.330.080 and 2007 c 249 s 2 are each amended to  
18 read as follows:

19 The department shall contract with county-designated associate  
20 development organizations to increase the support for and coordination  
21 of community and economic development services in communities or  
22 regional areas. The organizations contracted with in each community or  
23 regional area shall be broadly representative of community and economic  
24 interests. The organization shall be capable of identifying key  
25 economic and community development problems, developing appropriate  
26 solutions, and mobilizing broad support for recommended initiatives.  
27 The contracting organization shall work with and include local  
28 governments, local chambers of commerce, workforce development  
29 councils, port districts, labor groups, institutions of higher  
30 education, community action programs, and other appropriate private,  
31 public, or nonprofit community and economic development groups. The  
32 scope of services delivered under these contracts shall include two  
33 broad areas of work:

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

1 (a) Working with the appropriate partners, including but not  
2 limited to, local governments, workforce development (~~organizations~~)  
3 councils, port districts, community and technical colleges and higher  
4 education institutions, export assistance providers, the Washington  
5 manufacturing services, the Washington state quality award(~~7~~)  
6 council, small business assistance programs, and other federal, state,  
7 and local programs to facilitate the alignment of planning efforts and  
8 the seamless delivery of business support services in the county;

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

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

16 (d) Working with businesses on site location and selection  
17 assistance;

18 (e) Providing business retention and expansion services, including  
19 business outreach and monitoring efforts to identify and address  
20 challenges and opportunities faced by businesses; and

21 (f) (~~Participate~~ [~~Participating~~]) Participating in economic  
22 development system-wide discussions regarding gaps in business start-up  
23 assistance in Washington; and

24 (2) Support for regional economic research and regional planning  
25 efforts to implement target industry sector strategies and other  
26 economic development strategies, including cluster-based strategies,  
27 that support increased living standards and increase foreign direct  
28 investment throughout Washington. Activities include:

29 (a) Participation in regional planning efforts with workforce  
30 development councils involving (~~combined~~) coordinated strategies  
31 around workforce development and economic development policies and  
32 programs. Coordinated planning efforts shall include, but not be  
33 limited to, assistance to industry clusters in the region;

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

1        ~~((b))~~ (c) Collecting and reporting data as specified by the  
2 contract with the department for statewide systemic analysis. The  
3 department shall consult with the Washington state economic development  
4 commission in the establishment of such uniform data as is needed to  
5 conduct a statewide systemic analysis of the state's economic  
6 development programs and expenditures. In cooperation with other  
7 local, regional, and state planning efforts, contracting organizations  
8 may provide insight into the needs of target industry clusters,  
9 business expansion plans, early detection of potential relocations or  
10 layoffs, training needs, and other appropriate economic information;

11        ~~((e))~~ (d) In conjunction with other governmental jurisdictions  
12 and institutions, participate in the development of a countywide  
13 economic development plan, consistent with the state comprehensive plan  
14 for economic development developed by the Washington state economic  
15 development commission.

16        NEW SECTION.    **Sec. 11.** By December 15, 2010, the workforce  
17 training and education coordinating board, the economic development  
18 commission, the department of community, trade, and economic  
19 development, the employment security department, and the state board  
20 for community and technical colleges shall provide a written progress  
21 report to the appropriate committees of the legislature on concrete  
22 actions taken, individually and collectively, to achieve the intent and  
23 objectives of this act. The report must include a description of:

24        (1) Direct services or funding provided to regional industry  
25 clusters by state agencies;

26        (2) Centers of excellence designated and funded;

27        (3) Industry clusters and strategic industry clusters identified in  
28 state and local strategic plans;

29        (4) How the analysis of labor market and economic data was used to  
30 identify clusters;

31        (5) How associate development organizations and workforce  
32 development councils are jointly planning and delivering services to  
33 companies and the workforce at regional and local levels;

34        (6) How workforce training priorities, the state's long-term  
35 economic development strategy, and entrepreneurial development efforts  
36 are being coordinated; and

1           (7) Quantitative and qualitative outcomes that have resulted from  
2 these actions.

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