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**SUBSTITUTE SENATE BILL 5642**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Senate Committee on International Trade & Economic Development  
(originally sponsored by Senators Eide, Haugen, Shin, Keiser,  
Rasmussen, McAuliffe and Kohl-Welles)

READ FIRST TIME 02/18/05.

1       AN ACT Relating to business and job retention and expansion;  
2 amending RCW 50.12.190; adding a new chapter to Title 43 RCW; and  
3 making appropriations.

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

5       NEW SECTION. **Sec. 1.** (1) The legislature finds that structural  
6 changes in the state's economy have resulted in business failures and  
7 job loss leading to large increases in social costs such as  
8 unemployment compensation, public assistance, health programs, and lost  
9 taxes normally paid by workers and businesses.

10       (2) It is the intent of the legislature to develop a comprehensive  
11 program to retain businesses and jobs.

12       (3) It is the purpose of this act to authorize and fund the  
13 creation of a statewide business and job retention program that places  
14 primary reliance on locally based business and job retention programs  
15 to assist businesses that are likely to close, fail, or experience a  
16 permanent mass layoff. The state's primary role in the business and  
17 job retention program is to provide continuing financial and technical  
18 assistance and training to the locally based business and job retention  
19 programs to ensure their success.

1        NEW SECTION.    **Sec. 2.**    There is established within the department  
2 of community, trade, and economic development the business and job  
3 retention and expansion program.    The director shall solicit volunteer  
4 assistance; work with the small business development centers, associate  
5 development organizations, the Washington manufacturing service, the  
6 Washington technology center, institutions of higher education, the  
7 employment security department, the work force training and education  
8 coordinating board, labor representatives, and other appropriate public  
9 and private agencies and organizations; and contract with private  
10 consultants for such services as the director deems advisable.

11        NEW SECTION.    **Sec. 3.**    The director shall:

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

14            (2) Put out requests for proposals for the operation of business  
15 and job retention and expansion programs for each region.    The local  
16 programs shall be required to provide a local matching contribution to  
17 the operation of the program.    The director shall evaluate the  
18 proposals and select a program for each region based on each  
19 proposal's:

20            (a) Inclusion of representatives of business, labor, training  
21 institutions, nonprofit organizations, technical assistance providers,  
22 and local government;

23            (b) Plan for administration of surveys of businesses, utilities,  
24 employees, financial institutions, and community groups to gather  
25 information about business needs, expansion plans, relocation  
26 decisions, training needs, potential layoffs, financing needs, the  
27 availability of financing and other appropriate information about  
28 economic trends, and specific employer and employee needs in the  
29 region;

30            (c) Plan for delivery of job retention and business retention and  
31 expansion services including job skills training, production process  
32 analysis, product development assistance, marketing, and financial and  
33 other management services; and

34            (d) Showing of cross-jurisdictional collaboration;

35            (3) Develop a model local economic survey and assist the regional  
36 business and job retention and expansion programs in administering a  
37 survey in each region;

1 (4) Designate proposed criteria for receipt of services offered by  
2 the regional programs to businesses, labor unions, employee groups,  
3 community groups, local governments, and port districts. Such  
4 criteria shall include the number of employees affected, the type of  
5 business involved, reemployment potential of employees, severity of  
6 problems affecting the business or work force, skill level of the work  
7 force, availability of financing, and the social and economic costs of  
8 layoffs or closure;

9 (5) Be responsible for the development and implementation of  
10 training programs for the regional business and job retention and  
11 expansion programs. The training programs shall be designed to assist  
12 the programs in administering economic surveys, developing and  
13 coordinating local resources, assessing the need for outside resources,  
14 and locating other public and private resources needed to assist firms;  
15 and

16 (6) Provide or coordinate the delivery of technical and managerial  
17 assistance upon request from the local business and job retention and  
18 expansion programs in the areas of financial management, marketing,  
19 product development, production process analysis, training, and other  
20 business services.

21 NEW SECTION. **Sec. 4.** The local business and job retention and  
22 expansion programs shall provide marketing, technical, managerial, and  
23 training assistance or referral appropriate to client businesses,  
24 unions, employee groups, and work forces. The programs shall initiate  
25 contact with those firms or employees indicating, through the economic  
26 surveys or otherwise, the potential for closure, mass layoff, or  
27 relocation. For firms or employees not indicating such potential, the  
28 provision of services from the programs shall be in response to direct  
29 requests from firms, labor unions, employee groups, community groups,  
30 local governments, and port districts. Where appropriate, program  
31 coordinators shall assist local governments or organizations in  
32 applying for matching funds from the department of community, trade,  
33 and economic development.

34 The local programs shall coordinate the delivery of technical,  
35 managerial, financial, training, and other assistance. The programs  
36 shall work with the employment security department, local work force  
37 investment boards, and local WorkSource centers.

1        NEW SECTION.    **Sec. 5.** In addition to the responsibilities set  
2 forth in sections 2 through 5 of this act, the department of community,  
3 trade, and economic development shall draw upon its existing resources,  
4 employment and economic data from the employment security department,  
5 and data from the department of licensing and the department of revenue  
6 and other sources, to do nonduplicative analyses of trends in the  
7 state's industries and work forces. The department shall make such  
8 analyses available to relevant businesses, labor organizations or work  
9 forces, local governments, economic development organizations, early  
10 warning programs, and business and job retention and expansion  
11 programs, and shall work with them to develop long-term strategies for  
12 economic growth and revitalization.

13        **Sec. 6.** RCW 50.12.190 and 1945 c 35 s 58 are each amended to read  
14 as follows:

15        (1) The commissioner shall take all appropriate steps to reduce and  
16 prevent unemployment; to encourage and assist in the adoption of  
17 practical methods of vocational training, retraining and vocational  
18 guidance; to investigate, recommend, advise, and assist in the  
19 establishment and operation by municipalities, counties, school  
20 districts, and the state, of reserves for public works to be used in  
21 times of business depression and unemployment; to promote the  
22 reemployment of unemployed workers throughout the state in every other  
23 way that may be feasible; and to these ends to carry and publish the  
24 results of investigations and research studies.

25        (2) The employment security department shall:

26        (a) Assess the number and causes of potential plant closures and  
27 mass layoffs as covered by the federal worker adjustment and retraining  
28 notification act;

29        (b) Assess the number and causes of permanent mass layoffs and  
30 closures using the permanent mass layoff and plant closure data base  
31 that is presently funded by the federal government; and

32        (c) Supply the director of the department of community, trade, and  
33 economic development with data gathered under this subsection, which  
34 will allow the state and local components of the business and job  
35 retention and expansion program to prioritize delivery of service to  
36 distressed, mature, and cyclical industries.

1        NEW SECTION.   **Sec. 7.**   (1) The sum of six hundred thousand dollars,  
2        or as much thereof as may be necessary, is appropriated for the fiscal  
3        year ending June 30, 2006, from the general fund--state to the  
4        department of community, trade, and economic development for the  
5        purposes of this act.

6        (2) The sum of six hundred thousand dollars, or as much thereof as  
7        may be necessary, is appropriated for the fiscal year ending June 30,  
8        2007, from the general fund--state to the department of community,  
9        trade, and economic development for the purposes of this act.

10        NEW SECTION.   **Sec. 8.**   Sections 1 through 6 of this act constitute  
11        a new chapter in Title 43 RCW.

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