

HOUSE BILL REPORT

HB 1880

As Reported by House Committee On:

Higher Education

Appropriations

Title: An act relating to creating the skills-based economic growth program.

Brief Description: Creating the skills-based economic growth program.

Sponsors: Representatives Wallace, Anderson, Ormsby, Buri, Curtis, Haigh, Priest, Armstrong, Jarrett, Roberts, Kenney, Conway, Morrell and Wood.

Brief History:

Committee Activity:

Higher Education: 2/7/07, 2/15/07 [DPA];

Appropriations: 3/1/07, 3/3/07 [DPS(APP)].

Brief Summary of Substitute Bill

- Creates the Skills-Based Economic Growth Planning Program.
- Authorizes Workforce Development Councils to serve as the lead regional workforce development planning agencies for the purposes of the Economic Growth Planning Program.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 9 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Buri, Assistant Ranking Minority Member; Hasegawa, Jarrett, McIntire, Roberts and Sommers.

Staff: Jennifer Thornton (786-7111).

Background:

Congress passed into law the Workforce Investment Act (WIA) of 1998 (PL 105-220) to prepare youth, dislocated workers, and adults for entry into the labor force, and to provide for the planning, implementation, and ongoing oversight of a comprehensive state workforce

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

development system designed to improve workforce training, employment, literacy and vocational rehabilitation.

Executive Order 99-02 established the Workforce Training and Education Coordinating Board (WTECB) as the state Workforce Investment Board for the federal Workforce Investment Act of 1998. The same executive order created 12 local Workforce Development Councils (WDCs), based on the workforce investment areas configured under WIA's predecessor, the Job Training Partnership Act. The primary responsibilities of WDCs include:

- providing input to the WTECB in the development of the state unified workforce plan;
- developing a local unified strategic workforce plan in partnership with local elected officials;
 - oversight of the state WorkSource System;
 - promoting the coordination of workforce development activities at the local level and ensuring a link with local economic development strategies;
- providing a coordinated and responsive system of outreach to employers;
- identifying eligible training providers for WIA Title I; and
- negotiating local WIA performance measures.

Each WDC has a board of directors in which business representatives must constitute at least 51 percent of the membership. Other required members include labor, education, economic development agencies, and community based organizations. Additional membership depends on whether the WDC was a newly formed council, or grandfathered in from a pre-existing council.

Summary of Amended Bill:

The Legislature authorizes a program under which WDCs serve as the lead regional workforce development planning organizations within their regions. Each WDC participating in the Skills-Based Economic Growth Planning Program (Program) will receive funding to cover the cost of one full-time equivalent planner position including benefits.

Each WDC will:

- convene workforce and economic development-related organizations and educational institutions that provide services within its region; and
- adopt and periodically update a consensus skills-based economic growth plan for the region that includes:
 - (1) data on current and projected employment opportunities in the local area;
 - (2) identification of workforce investment needs of businesses;
 - (3) identification of the needs of jobseekers and workers in the local area;
- (4) analysis of the industry demand, potential labor force supply, and educational, employment, and workforce support available to businesses and jobseekers in the region;
- (5) development of industry cluster-based strategies;
- (6) identification of the needs of those clusters;

- (7) recommendations for the most efficient use of existing workforce infrastructure and funding to maximize service to individuals and industry; and
- (8) creation of a financial plan demonstrating how the regional workforce plan can be implemented.

The skills-based economic growth plans must be adopted within each region by November 30, 2008, and approved by the WTECB by February 15, 2009.

Each program will collect data and produce a report showing the amount of new funding brought into the community as a result of the skills-based economic growth planning process; training capacity expansion achieved in programs targeted by the plan; impact on local economic growth; and the impact on career opportunities for local residents.

Amended Bill Compared to Original Bill:

Changes the Program from a pilot program under which three workforce development councils will participate based on a competitive process, to a Program in which all workforce development councils can participate if they meet the application requirements.

Apprenticeship programs are added to the list of entities that are to be included in the planning process.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 16, 2007.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) Collaboration within the workforce development system is better than ever. People are taking a sectoral approach, and serving the needs of industry better than ever before. Though the work is effective and well thought out, it could always get better. This bill is cutting edge, and will take the workforce system to the next level by ensuring regions take a strategic look at what the system needs to do to best serve its community. This bill will help coordinate efforts, convene partners, and leverage resources beyond what is possible now. It fits in well with the Governor's "Next Washington," and is consistent with "High Skills, High Wages."

It is great that K-12 is included. Suggestions to make the bill even stronger are to change it from a pilot program to one that is available to all WDCs, and to add apprenticeship councils and chambers of commerce to the list of entities involved in the planning.

(Opposed) None.

Persons Testifying: (In support) Jim Crabbe, State Board for Community and Technical Colleges; Don Bennett, Workforce Training and Education Coordinating Board; John Aultman, New Market Skills Center; and Tim Probst, Washington Workforce Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Appropriations be substituted therefor and the substitute bill do pass. Signed by 34 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Staff: Debbie Driver (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:

The substitute bill adopted by the Appropriations Committee deletes the requirement to fund a full-time equivalent planner at each of the skills-based economic growth programs. In addition, the substitute incorporates the amendments by the Higher Education Committee.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The modern economy is driven by skills. This bill recognizes that each community needs to understand the unique job skills needed in their community as identified by economic development agencies, local businesses, the labor community and training partners.

This bill uses existing partnerships to understand job demand and coordinate multiple training and education providers to put the skills on the street to meet demands of the local economy. Plans developed through this bill can assist communities in being more competitive in the global economy.

The Legislature invests millions in a workforce development system in the state. The workforce infrastructure requires planning and coordination, which is necessary for optimizing state investments in education, economic development, and workforce education. This bill provides resources necessary for each region to better understand the industries, economies

and jobs necessary for their regions. Local economies need skilled employees, and the demand for high skills, high wage jobs is growing in the state. This bill provides an opportunity to strategically plan and coordinate with regional partners to identify business and labor needs and gaps in skilled workers. The bill is supported by the economic development councils and the workforce development councils.

(Opposed) None.

Persons Testifying: John Loyle, Pacific Mountain Workforce Development Council; Tim Probst, Washington Workforce Association; and Lisa Nisenfeld, Southwest Washington Workforce Development Council.

Persons Signed In To Testify But Not Testifying: None.