

# SENATE BILL REPORT

## SHB 1323

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As of March 19, 2009

**Title:** An act relating to coordinating workforce and economic development.

**Brief Description:** Providing for coordination of workforce and economic development.

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

**Brief History:** Passed House: 3/05/09, 96-1.

**Committee Activity:** Higher Education & Workforce Development: 3/18/09.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Aldo Melchiori (786-7439)

**Background:** Governor Gregoire's *The Next Washington* (2007) presents an action plan for growing jobs and income in a global economy. *The Next Washington* calls for improving partnerships among workforce and economic development efforts at the state and regional levels. Subsequently, Governor Gregoire called upon the Workforce Training and Education Coordinating Board (WTECB), the Department of Community, Trade and Economic Development (CTED), and the Economic Development Commission (EDC) to develop a plan to support coordination at the state and regional levels, with special emphasis on key economic clusters.

In 2007 the Governor's Policy Office convened a group of stakeholders to develop common definitions for workforce and economic development terms. The group developed common definitions for the terms "industry cluster" and "sector." Industry cluster means a geographic concentration of interconnected companies in a single industry and related businesses in other industries, including suppliers, customers, and associated institutions. Associated institutions includes government and education institutions. For example, the aerospace industry in Snohomish and King Counties is an industry cluster. A sector is a group of firms with similar business processes, products, or services; for example, construction or health services. A cluster is not restricted to firms within a sector since it includes related firms and institutions in other industries.

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*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.*

**Summary of Bill:** The workgroup's common definition of industry cluster is added to statute and state agencies and local organizations with missions related to workforce and economic development are directed to coordinate their efforts to assist industry clusters.

The WTECB works with CTED and the EDC to ensure coordination among workforce training priorities, the state's long-term economic development strategy, assistance to industry clusters, and entrepreneurial development. In its comprehensive plan for workforce training and education, the WTECB must identify the strategic industry clusters targeted by the Workforce Development System.

The EDC is added to a committee advising CTED on its industry clusters grant program. The EDC includes industry clusters and targeted strategic clusters in its biennial report. The EDC must consult with the WTECB and include labor market and economic information provided by the Employment Security Department (ESD) in developing the list of clusters and strategic clusters. The ESD analyzes labor market and economic data in order to identify industry clusters and strategic industry clusters.

The State Board for Community and Technical Colleges (SBCTC) must designate and fund new and existing centers of excellence on a competitive basis. A center of excellence is a community or technical college designated by the SBCTC as a statewide leader in industry-specific workforce education and training. Priority in such designation is to be given to applicants with established programs serving a targeted industry cluster within its own region.

"Workforce development council" is defined. A workforce development council is a local workforce investment board as established in federal law. A council develops and maintains a unified local plan for the Workforce Development System. The plan must articulate the connection between local workforce and economic development efforts, including in relation to the area industry clusters. Workforce development councils and associate development organizations participate in coordinated regional planning efforts, including assistance to regional industry clusters.

By December 15, 2010, the WTECB, the CTED, the EDC, the ESD, and the SBCTC must jointly submit a written progress report to the appropriate legislative committees describing concrete actions taken, individually and collectively.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Economic development is not possible without a trained workforce. The intent of the bill is to bring employers and educational institutions together. Both students and the economy will benefit from this coordination. Career colleges support this effort and want to contribute to it.

**Persons Testifying:** PRO: Representative Kenney, prime sponsor; Amy Smith-Rubeck, SBCTC; Carolyn McKinnon, WTECB; Steve Lindstrom, NW Career Colleges Federation.