

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1323

Chapter 151, Laws of 2009

61st Legislature
2009 Regular Session

WORKFORCE AND ECONOMIC DEVELOPMENT

EFFECTIVE DATE: 07/26/09

Passed by the House March 5, 2009
Yeas 96 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 7, 2009
Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved April 21, 2009, 2:44 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1323** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 22, 2009

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1323

Passed Legislature - 2009 Regular Session

State of Washington

61st Legislature

2009 Regular Session

By House 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)

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.

Passed by the House March 5, 2009.

Passed by the Senate April 7, 2009.

Approved by the Governor April 21, 2009.

Filed in Office of Secretary of State April 22, 2009.