

# HOUSE BILL REPORT

## HB 1712

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### As Passed Legislature

**Title:** An act relating to protecting workers displaced as a result of finfish aquaculture facility closures.

**Brief Description:** Protecting workers displaced due to finfish aquaculture facility closure.

**Sponsors:** Representatives Schmick and Chapman.

### Brief History:

#### Committee Activity:

Labor & Workplace Standards: 2/15/23, 2/17/23 [DP].

#### Floor Activity:

Passed House: 3/6/23, 96-0.

Passed Senate: 4/7/23, 48-0.

Passed Legislature.

### Brief Summary of Bill

- Designates persons separated from employment due to certain commercial finfish net pen aquaculture closures as "dislocated workers" for the purposes of unemployment insurance, allowing those persons to seek access to additional benefits while enrolled in approved training plans.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report:** Do pass. Signed by 8 members: Representatives Berry, Chair; Fosse, Vice Chair; Robertson, Ranking Minority Member; Schmidt, Assistant Ranking Minority Member; Bronoske, Connors, Doglio and Ormsby.

**Staff:** Kelly Leonard (786-7147).

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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 part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

### Training Benefits for Dislocated Workers.

The unemployment insurance (UI) system provides partial wage replacement for workers who are unemployed through no fault of their own. Eligible unemployed workers receive UI benefits based on their earnings in their base year for up to 26 weeks. Extended benefits beyond 26 weeks may be available during periods of high unemployment. Funding for UI benefits is sourced from payroll taxes paid by employers. An employer's tax rate is experience-rated so that the rate is determined, in part, by the UI benefits paid to its employees.

A "dislocated worker" is a person who: (1) has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment, or has separated from a declining occupation; and (2) is eligible for or has exhausted UI benefits. Like other unemployed workers, dislocated workers are eligible for up to 26 weeks of regular UI benefits and any applicable extended benefits. However, these benefits can be combined with additional weeks of UI benefits to support a dislocated worker while he or she is enrolled in an approved training plan under the Training Benefits Program. The Training Benefits Program provides benefits so qualifying workers can train for careers in high-demand fields.

To be eligible for training benefits, the Employment Security Department (ESD) must assess the worker's labor market, occupation, or skills, and determine that he or she needs job-related training to find suitable employment. The assessment must be substantially based on declining occupation or skill sets and high-demand occupations identified in local labor market areas by the local workforce development councils in cooperation with the ESD. Then, the dislocated worker must submit an individual training plan and enroll in the approved training program prior to the end of his or her benefit year. A training program means:

- an education program determined to be necessary as a prerequisite to vocational training after counseling at the educational institution in which the individual enrolls under his or her approved training program; or
- a vocational training program at an educational institution that is targeted to training for a high-demand occupation, is likely to enhance the individual's marketable skills and earning power, and meets the criteria for performance developed by the Workforce Training and Education Coordinating Board.

The total amount of training benefits is 52 times the dislocated worker's UI weekly benefit amount, reduced by the total number of regular UI benefits paid. For example, if a dislocated worker received 20 weeks of regular UI benefits, then he or she would be eligible for 32 weeks of training benefits.

All base year employers are interested parties to the approval of training and the granting of training benefits. However, training benefits are not charged to the experience rating

account of any contribution paying employer.

#### Finfish Net Pen Aquaculture.

In 2018 the state enacted legislation prohibiting the Department of Natural Resources (DNR) from entering into any new lease or use authorization, or renewing or extending any lease or use authorization, for nonnative finfish aquaculture on state-owned aquatic lands. The legislation also modified the definition of "dislocated worker" by including any worker separated from employment as a result of the prohibition on nonnative finfish aquaculture. This allowed those persons to seek training benefits without the ESD having to determine whether they meet the definition of dislocated worker.

On November 17, 2022, the Commissioner of Public Lands issued an executive order prohibiting all finfish net pen aquaculture on state-owned public lands. The DNR is directed to develop changes to any rules, policies, and procedures in order to effect the change. At the time of executive order, there were two remaining leases allowing finfish net pen aquaculture on state-owned public lands. Those leases were not renewed, and lessees were directed to cease operations and remove all facilities and equipment from state-owned public lands.

#### **Summary of Bill:**

The definition of "dislocated worker" is modified. Persons separated from employment as a result of the denial of commercial finfish net pen aquaculture lease renewal applications or the issuance of the executive order by the Commissioner of Public Lands are designated as dislocated workers for the purpose of UI benefits, thereby allowing those persons to seek training benefits if meeting other applicable requirements.

**Appropriation:** None.

**Fiscal Note:** Available.

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

#### **Staff Summary of Public Testimony:**

(In support) Since the state did not renew the leases for finfish net pen aquaculture operations, those businesses closed and their workers were laid off. This bill would declare them dislocated workers, which will allow them to get additional training benefits and help them to take care of their families. The Legislature provided this same benefit to workers when it shut down nonnative finfish net pen aquaculture operations in 2018, and it should do so again for these workers.

(Opposed) None.

**Persons Testifying:** Representative Joe Schmick, prime sponsor; and Troy Nichols, Cooke Aquaculture Pacific, Incorporated.

**Persons Signed In To Testify But Not Testifying:** None.