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ENGROSSED SUBSTITUTE HOUSE BILL 2386

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State of Washington

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By House Committee on Commerce & Labor (originally sponsored by Representatives Heavey, Orr, Jones, G. Cole, Brumsickle, O'Brien and Paris; by request of Employment Security Department)

Read first time 02/07/92.

1 AN ACT Relating to codifying the labor market information and  
2 economic analysis responsibilities of the employment security  
3 department; amending RCW 50.38.010, 50.38.030, and 50.16.050; adding  
4 new sections to chapter 50.38 RCW; creating a new section; repealing  
5 RCW 50.12.260; making an appropriation; and providing an effective  
6 date.

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

8 **Sec. 1.** RCW 50.38.010 and 1982 c 43 s 1 are each amended to read  
9 as follows:

10 It is the intent of this chapter to establish (~~a single state~~  
11 ~~administered occupational information service, including the state~~  
12 ~~occupational forecast~~)) the duties and authority of the employment  
13 security department relating to labor market information and economic  
14 analysis. State and federal law mandate the use of labor market

1 information in the planning, coordinating, management, implementation,  
2 and evaluation of certain programs. Often this labor market  
3 information is also needed in studies for the legislature and state  
4 programs, like those dealing with growth management, community  
5 diversification, export assistance, prison industries, energy,  
6 agriculture, social services, and environment. Employment, training,  
7 education, job creation, and other programs are often mandated without  
8 adequate federal or state funding for the needed labor market  
9 information. Clarification of the department's duties and authority  
10 will assist users of state and local labor market information products  
11 and services to have realistic expectations and provide the department  
12 authority to recover actual costs for labor market information products  
13 and services developed in response to individual requests.

14 NEW SECTION. Sec. 2. Unless the context clearly requires  
15 otherwise, the definitions in this section apply throughout this  
16 chapter.

17 (1) "Labor market information" means the body of information  
18 generated from measurement and evaluation of the socioeconomic factors  
19 and variables influencing the employment process in the state and  
20 specific labor market areas. These socioeconomic factors and variables  
21 affect labor demand and supply relationships and include:

22 (a) Labor force information, which includes but is not limited to  
23 employment, unemployment, labor force participation, labor turnover and  
24 mobility, average hours and earnings, and changes and characteristics  
25 of the population and labor force within specific labor market areas  
26 and the state;

27 (b) Occupational information, which includes but is not limited to  
28 occupational supply and demand estimates and projections,  
29 characteristics of occupations, wage levels, job duties, training and

1 education requirements, conditions of employment, unionization,  
2 retirement practices, and training opportunities;

3 (c) Economic information, which includes but is not limited to  
4 number of business starts and stops by industry and labor market area,  
5 information on employment growth and decline by industry and labor  
6 market area, employer establishment data, and number of labor-  
7 management disputes by industry and labor market area; and

8 (d) Program information, which includes but is not limited to  
9 program participant or student information gathered in cooperation with  
10 other state and local agencies along with related labor market  
11 information to evaluate the effectiveness, efficiency, and impact of  
12 state and local employment, training, education, and job creation  
13 efforts in support of planning, management, implementation, and  
14 evaluation.

15 (2) "Labor market area" means an economically integrated geographic  
16 area within which individuals can reside and find employment within a  
17 reasonable distance or can readily change employment without changing  
18 their place of residence. Such areas shall be identified in accordance  
19 with criteria used by the bureau of labor statistics of the department  
20 of labor in defining such areas or similar criteria established by the  
21 governor. The area generally takes the name of its community. The  
22 boundaries depend primarily on economic and geographic factors.  
23 Washington state is divided into labor market areas, which usually  
24 include a county or a group of contiguous counties.

25 (3) "Labor market analysis" means the measurement and evaluation of  
26 economic forces as they relate to the employment process in the local  
27 labor market area. Variables affecting labor market relationships  
28 include, but are not limited to, such factors as labor force changes  
29 and characteristics, population changes and characteristics, industrial  
30 structure and development, technological developments, shifts in

1 consumer demand, volume and extent of unionization and trade disputes,  
2 recruitment practices, wage levels, conditions of employment, and  
3 training opportunities.

4 (4) "Public records" has the same meaning as set forth in RCW  
5 42.17.020.

6 (5) "Department" means the employment security department.

7 **Sec. 3.** RCW 50.38.030 and 1985 c 466 s 66 are each amended to read  
8 as follows:

9 The employment security department shall consult with the following  
10 agencies prior to the issuance of the state occupational forecast:

11 (1) Office of financial management;

12 (2) Department of trade and economic development;

13 (3) Department of labor and industries;

14 (4) State board for community and technical colleges ~~((education))~~;

15 (5) Superintendent of public instruction;

16 (6) Department of social and health services;

17 (7) Department of community development;

18 (8) ~~((Commission for vocational education))~~ Work force training and  
19 education coordinating board; and

20 (9) Other state and local agencies as deemed appropriate by the  
21 commissioner of the employment security department.

22 These agencies shall cooperate with the employment security  
23 department, submitting information relevant to the generation of  
24 occupational forecasts.

25 NEW SECTION. **Sec. 4.** The department shall submit an annual  
26 report to the legislature and the governor that includes, but is not  
27 limited to:

1 (1) Identification and analysis of industries in the United States,  
2 Washington state, and local labor markets with high levels of seasonal,  
3 cyclical, and structural unemployment;

4 (2) The industries and local labor markets with plant closures and  
5 mass lay-offs and the number of affected workers;

6 (3) An analysis of the major causes of plant closures and mass lay-  
7 offs;

8 (4) The number of dislocated workers and persons who have exhausted  
9 their unemployment benefits, classified by industry, occupation, and  
10 local labor markets;

11 (5) The experience of the unemployed in their efforts to become  
12 reemployed. This should include research conducted on the continuous  
13 wage and benefit history;

14 (6) Five-year industry and occupational employment projections; and

15 (7) Annual and hourly average wage rates by industry and  
16 occupation.

17 NEW SECTION. **Sec. 5.** The employment security department shall  
18 have the following duties:

19 (1) Oversight and management of a state-wide comprehensive labor  
20 market and occupational supply and demand information system, including  
21 development of a five-year employment forecast for state and labor  
22 market areas.

23 (2) Produce local labor market information packages for the state's  
24 counties, including special studies and job impact analyses in support  
25 of state and local employment, training, education, and job creation  
26 programs, especially activities that prevent job loss, reduce  
27 unemployment, and create jobs.

28 (3) Coordinate with the office of financial management and the  
29 office of the forecast council to improve employment estimates by

1 enhancing data on corporate officers, improving business establishment  
2 listings, expanding sample for employment estimates, and developing  
3 business entry/exit analysis relevant to the generation of occupational  
4 and economic forecasts.

5 (4) In cooperation with the office of financial management, produce  
6 long-term industry and occupational employment forecasts. These  
7 forecasts shall be consistent with the official economic and revenue  
8 forecast council biennial economic and revenue forecasts.

9 NEW SECTION. **Sec. 6.** To implement this chapter, the  
10 department has authority to:

11 (1) Establish mechanisms to recover actual costs incurred in  
12 producing and providing otherwise nonfunded labor market information.

13 (a) If the commissioner, in his or her discretion, determines that  
14 providing labor market information is in the public interest, the  
15 requested information may be provided at reduced costs.

16 (b) The department shall provide access to labor market information  
17 products that constitute public records available for public inspection  
18 and copying under chapter 42.17 RCW, at fees not exceeding those  
19 allowed under RCW 42.17.300 and consistent with the department's fee  
20 schedule.

21 (2) Receive federal set aside funds from several federal programs  
22 that are authorized to fund state and local labor market information  
23 and are required to use such information in support of their programs.

24 (3) Enter into agreements with other public agencies for  
25 statistical analysis, research, or evaluation studies of local, state,  
26 and federally funded employment, training, education, and job creation  
27 programs to increase the efficiency or quality of service provided to  
28 the public consistent with chapter 50.13 RCW.

1 (4) Coordinate with other state agencies to study ways to  
2 standardize federal and state multi-agency administrative records, such  
3 as unemployment insurance information and other information to produce  
4 employment, training, education, and economic analysis needed to  
5 improve labor market information products and services.

6 (5) Produce agricultural labor market information and economic  
7 analysis needed to facilitate the efficient and effective matching of  
8 the local supply and demand of agricultural labor critical to an  
9 effective agricultural labor exchange in Washington state. Information  
10 collected for an agricultural labor market information effort will be  
11 coordinated with other federal, state, and local statistical agencies  
12 to minimize reporting burden through cooperative data collection  
13 efforts for statistical analysis, research, or studies.

14 NEW SECTION. **Sec. 7.** Moneys received under section 6(1) of  
15 this act to cover the actual costs of nonfunded labor market  
16 information shall be deposited in the unemployment compensation  
17 administration fund and expenditures shall be authorized only by  
18 appropriation.

19 **Sec. 8.** RCW 50.16.050 and 1959 c 170 s 3 are each amended to read  
20 as follows:

21 (1) There is hereby established a fund to be known as the  
22 unemployment compensation administration fund. Except as otherwise  
23 provided in this section, all moneys which are deposited or paid into  
24 this fund are hereby made available to the commissioner. All moneys in  
25 this fund shall be expended solely for the purpose of defraying the  
26 cost of the administration of this title, and for no other purpose  
27 whatsoever. All moneys received from the United States of America, or  
28 any agency thereof, for said purpose pursuant to section 302 of the

1 social security act, as amended, shall be expended solely for the  
2 purposes and in the amounts found necessary by the secretary of labor  
3 for the proper and efficient administration of this title. All moneys  
4 received from the United States employment service, United States  
5 department of labor, for said purpose pursuant to the act of congress  
6 approved June 6, 1933, as amended or supplemented by any other act of  
7 congress, shall be expended solely for the purposes and in the amounts  
8 found necessary by the secretary of labor for the proper and efficient  
9 administration of the public employment office system of this state.  
10 The unemployment compensation administration fund shall consist of all  
11 moneys received from the United States of America or any department or  
12 agency thereof, or from any other source, for such purpose. All moneys  
13 in this fund shall be deposited, administered, and disbursed by the  
14 treasurer of the unemployment compensation fund under rules and  
15 regulations of the commissioner and none of the provisions of (~~section~~  
16 ~~5501 of Remington's Revised Statutes, as amended,~~) RCW 43.01.050 shall  
17 be applicable to this fund. The treasurer last named shall be the  
18 treasurer of the unemployment compensation administration fund and  
19 shall give a bond conditioned upon the faithful performance of his  
20 duties in connection with that fund. All sums recovered on the  
21 official bond for losses sustained by the unemployment compensation  
22 administration fund shall be deposited in said fund.

23 (2) Notwithstanding any provision of this section((7)):

24 (a) All money requisitioned and deposited in this fund pursuant to  
25 RCW 50.16.030(6) shall remain part of the unemployment compensation  
26 fund and shall be used only in accordance with the conditions specified  
27 in RCW 50.16.030(4), (5) and (6).

28 (b) All money deposited in this fund pursuant to section 7 of this  
29 act shall be used only after appropriation and only for the purposes of  
30 section 6 of this act.

1        NEW SECTION.    **Sec. 9.**        The sum of one hundred thousand dollars,  
2 or as much thereof as may be necessary, is appropriated for the  
3 biennium ending June 30, 1993, from the unemployment compensation  
4 administration fund to the employment security department for the  
5 purposes of section 6 of this act. However, total expenditures from  
6 this appropriation shall be limited to the total amount deposited  
7 during the biennium in the unemployment compensation administration  
8 fund under section 7 of this act.

9        NEW SECTION.    **Sec. 10.**        If any part of this act is found to be  
10 in conflict with federal requirements which are a prescribed condition  
11 to the allocation of federal funds to the state or the eligibility of  
12 employers in this state for federal unemployment tax credits, the  
13 conflicting part of this act is hereby declared to be inoperative  
14 solely to the extent of the conflict, and such finding or determination  
15 shall not affect the operation of the remainder of this act. The rules  
16 under this act shall meet federal requirements which are a necessary  
17 condition to the receipt of federal funds by the state or the granting  
18 of federal unemployment tax credits to employers in this state.

19        NEW SECTION.    **Sec. 11.**        RCW 50.12.260 and 1987 c 284 s 5 are  
20 each repealed.

21        NEW SECTION.    **Sec. 12.**        Sections 2 and 4 through 7 of this act  
22 are each added to chapter 50.38 RCW.

23        NEW SECTION.    **Sec. 13.**        This act shall take effect July 1, 1992.