

# HOUSE BILL REPORT

## HB 2386

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*As Reported By House Committee on:  
Commerce & Labor  
Appropriations*

**Title:** An act relating to codifying the labor market information and economic analysis responsibilities of the employment security department.

**Brief Description:** Codifying the labor market information and economic analysis responsibilities of the employment security department.

**Sponsor(s):** Representatives Heavey, Orr, Jones, G. Cole, Brumsickle, O'Brien and Paris; by request of Employment Security Department.

**Brief History:**

Reported by House Committee on:  
Commerce & Labor, February 4, 1992, DPS;  
Appropriations, February 9, 1992, DPS (CL-A APP).

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**HOUSE COMMITTEE ON  
COMMERCE & LABOR**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 7 members: Representatives Heavey, Chair; G. Cole, Vice Chair; Franklin; Jones; R. King; O'Brien; and Prentice.

**Minority Report:** *Do not pass.* Signed by 4 members: Representatives Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Vance; and Wilson.

**Staff:** Chris Cordes (786-7117).

**Background:** The Employment Security Department maintains a comprehensive labor market information system and employment information related to the administration of the unemployment insurance system. Many of the information programs are required by federal or state law. For example, the department publishes an annual report to the Legislature and governor that identifies and analyzes industries, the major causes of plant closures, the number of dislocated workers, research from employment wage and benefit history, including wage rates, and five-year industry and occupational employment projections.

The department is not authorized to charge fees for any of the labor market information services.

**Summary of Substitute Bill:** The Employment Security Department has the duty to manage and provide oversight of a state-wide comprehensive labor market and occupational supply and demand information system, including development of a five-year employment forecast. The department must also produce local labor market information packages for counties, with studies and analyses to support employment, training, and job creation programs. The department's responsibilities will be coordinated with the Office of Financial Management and the Office of the Forecast Council to improve employment estimates and develop economic and occupational forecasts.

The department is authorized to establish mechanisms to recover actual costs incurred in producing and providing information that is not otherwise funded. If the information is provided in the public interest, it may be provided at reduced costs. Public information must be accessible, consistent with statutory requirements for public records copying fees. Money received for costs is to be deposited in the unemployment compensation administration fund, with expenditures authorized only by appropriation. Expenditures are limited to the amount of money collected by the department.

The department may also receive federal funds for labor market information, and cooperate with other agencies to provide statistical research and to study ways to standardize administrative records for improved labor market information products and services. The department may produce agricultural labor market information to facilitate efficient and effective matching of local agricultural labor supply and demand.

**Substitute Bill Compared to Original Bill:** The substitute bill: (1) changes "union disputes and strikes" to "labor-management disputes" in the definition of labor market information; (2) clarifies that the purpose of the agricultural labor market information is to facilitate a labor exchange to address the local agricultural labor supply and demand; and (3) makes technical changes to the provisions relating to collecting the costs of nonfunded labor market information and to appropriating this money to the department. The changes clarify that the appropriation is limited to the amount of money collected by the department. The section is deleted that made the requirements of the act "not mandatory" until funding is appropriated.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect July 1, 1992.

**Appropriation:** \$100,000 from the unemployment compensation administration fund.

**Testimony For:** The Employment Security Department has a large responsibility for developing labor market information. This bill will codify those responsibilities and enable the department to establish a fee system to recover the costs of providing information that is not publicly funded and available. There will be no change in the department's confidentiality requirements as a result of the bill. The department does not intend to compete with the private sector, but will provide special request projects through contracts with the product user. Amendments are suggested to specify that information about all labor-management disputes will be collected and that the purpose of the agricultural labor market information is to serve the local labor exchange.

**Testimony Against:** None.

**Witnesses:** (In favor): Vernon Stoner and Gary Bodeutsch, Employment Security Department; and Clif Finch, Association of Washington Business. (Support, with amendments): Jeff Johnson, Washington State Labor Council.

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**HOUSE COMMITTEE ON  
APPROPRIATIONS**

**Majority Report:** *The substitute bill by Committee on Commerce & Labor be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass.* Signed by 25 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Brekke; Carlson; Dorn; Ebersole; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Valle; Vance; and Wang.

**Staff:** Wayne Kawakami (786-7384).

**Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Commerce & Labor:** Technical change to clarify the department's authority to use the unemployment compensation administration fund.

**Fiscal Note:** Available.

**Appropriation:** \$100,000 from the unemployment compensation administration fund.

**Effective Date:** The bill takes effect July 1, 1992.

**Testimony For:** This bill will codify responsibilities and enable the department to establish a fee system to recover the costs of providing information that is not publicly funded and available.

**Testimony Against:** None.

**Witnesses:** Graeme Sackrison, Employment Security Department.