

# SENATE BILL REPORT

## SB 6541

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As Reported by Senate Committee On:  
Economic Development, Trade & Innovation, February 1, 2012

**Title:** An act relating to the use of workforce investment funds for layoff aversion.

**Brief Description:** Regarding the use of workforce investment funds for layoff aversion.

**Sponsors:** Senator Chase.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 1/30/12, 2/01/12 [DP].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Majority Report:** Do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Ericksen, Hatfield, Holmquist Newbry, Kilmer and Shin.

**Staff:** Jack Brummel (786-7428)

**Background:** The federal Workforce Investment Act (WIA) provides for a range of workforce development activities designed to benefit employers, dislocated workers, and low-income youth. In Washington WIA is administered through the Employment Security Department (ESD) and local area Workforce Development Councils (WDCs). The Workforce Training and Education Coordinating Board serves as the state Workforce Investment Board, required by WIA and manages the performance accountability for WIA-funded programs in Washington. In 2007 the Workforce Board was directed to develop state policy objectives for WIA.

The state's rapid-response team, required by WIA, is housed in ESD. The team assists employers and affected workers after the announcement of a permanent closure, mass layoff or disaster that results in a mass job dislocation. Two major events trigger state rapid-response activities:

- When a notice is filed under the federal Worker Adjustment and Retraining Notification Act (WARN), WARN notice requires employers to provide notice 60 days in advance of plant closings and mass layoffs for employers over a certain size. This notice must be provided to affected workers or their representatives, the local government, and the state's Dislocated-Worker Unit .

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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.*

- When a petition is filed under the federal Trade and Globalization Assistance Act (TAA) of 2009. The filing requires the state Dislocated-Worker Unit to ensure that rapid-response assistance and appropriate core and intensive services are made available to workers covered by the petition. If TAA petition is approved, the eligible workers are entitled to additional benefits and training opportunities to help them return to work.

In the July 2010-June 2011 fiscal year, ESD's rapid-response team responded to 31 WARN notices affecting more than 3500 workers. Local workforce development areas received \$4.8 million to provide additional services to dislocated workers.

**Summary of Bill:** The Workforce Board must evaluate the use of WIA funds for layoff aversion and collaborate with ESD in determining the best practices in the use of the funds for such purposes. ESD must detail for WDCs the opportunities to use, as well as best practices in using, WIA funds for layoff aversion through rapid response and other mechanisms.

**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 recovery is predicated on consumption. People have to work to consume. If we can provide interventions that increase productivity and help companies export, this can keep people working. This starts the process of developing a network so those working with firms learn early of the need for layoff aversion. This will maintain revenues for the state.

**Persons Testifying:** PRO: Senator Chase, prime sponsor; Ron Newbry, Impact Washington.