

SENATE BILL REPORT

SB 5570

As Reported by Senate Committee On:
Higher Education & Workforce Development, February 5, 2019

Title: An act relating to port district worker development and occupational training programs.

Brief Description: Concerning port district worker development and occupational training programs.

Sponsors: Senators Saldaña, Warnick and Keiser.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/31/19, 2/05/19 [DP].

Brief Summary of Bill

- Allows port economic development programs to be operated by certain private and public entities.
- Requires a port seeking to engage in economic development programs to declare by resolution that its goals are consistent with the economic development goals and worker training initiatives of the port district.
- Removes the requirement that a port district's economic development programs be in existence on June 10, 2010.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Palumbo, Chair; Randall, Vice Chair; Holy, Ranking Member; Brown, Lias and Wellman.

Staff: Kellee Gunn (786-7429)

Background: Port Districts. There are 75 port districts in Washington State. Port districts are authorized to acquire, construct, maintain, operate, develop, and regulate harbor improvements, and rail, by state law motor vehicle, water and air transfer and terminal

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.

facilities, or any combination of these facilities. State law also explicitly permits ports to promote tourism by advertising, publicizing, and distributing information to attract.

Among the general powers granted to ports are the power to: acquire land, property, leases, and easements; condemn property and exercise the power of eminent domain; develop lands for industrial and commercial purposes; impose taxes, rates, and charges; sell or otherwise convey rights to property; and construct and maintain specified types of park and recreation facilities.

The state Constitution explicitly allows the Legislature to grant authority to port districts to use public funds for industrial development or trade promotion and promotional hosting. Such use is considered a public use for a public purpose and therefore not subject to the constitutional prohibition against making a gift of public funds to a private party.

Port District Economic Development Programs. In 2010, the Legislature passed SHB 2651, which gave authority to port districts to contract with nonprofit corporations for economic development programs if they were in existence on the act's effective date of June 10, 2010. Those programs include job training and placement, pre-apprenticeship training, or educational programs that are associated with port tenants, customers, and local economic development related to port activities. The operating entity must submit quantitative information on program outcomes annually to the sponsoring port.

Summary of Bill: In addition to nonprofit corporations, port districts may contract with private and public entities to further their economic development programs and goals. Economic development programs are expanded to include occupational job training, job advancement and retention, and occupational education programs association with port tenants or port-related economic activity. Ports seeking to engage in activities or contracts pursuant to these economic development programs must declare by resolution that port-related workforce development provides a substantial public benefit consistent with the port commission's economic development goals and the ongoing worker training initiatives in place in that port district.

The requirement that the economic development program be in existence or were in existence on June 10, 2010 is removed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Our ports are economic engines that create many jobs. We want to be intentional about creating pipelines that lead to quality jobs. There are some gray areas around the authority of ports to develop educational programs, and partner with career connected programs. This bill is about clarification. This bill passed this committee unanimously last session. The Port of Port Angeles and Moses Lake are wildly in

support of this bill. This would allow the ports to provide a vital role in supporting the training and needs of businesses on the port. Economic development is a real necessity for ports. Clarified authorities and increased funding for ports will provide more well-paying jobs. There are plans to invest over \$11 million to develop career connected learning activities at the Port of Seattle. This bill would ensure the Port's involvement. As the most trade-driven state in the nation, it is important to support ports.

This bill provides opportunities for training programs not provided by organized labor. This bill would help the ports train for jobs needed at the ports. Language around promoting workforce diversity is very intentional, to make certain that new programs do not conflict with current programs.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Bruce Beckett, Port of Port Angeles and Port of Moses Lake; Eric Fitch, Port of Seattle; Amy Anderson, Association of Washington Business; Gordon Baxter, International Longshore and Warehouse Union.

Persons Signed In To Testify But Not Testifying: No one.