
**Labor & Workplace Standards
Committee**

HB 1712

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

Sponsors: Representatives Schmick and Chapman.

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.

Hearing Date: 2/15/23

Staff: Kelly Leonard (786-7147).

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 are 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

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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 benefits to support a dislocated worker while he or she is enrolled in an approved training plan.

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 designated persons separated from employment due to the prohibition as "dislocated workers," thereby granting those persons additional benefits through the UI system while enrolled in approved training plans.

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 Department of Natural Resources 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:

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: Requested on February 13, 2023.

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