

January 27, 1997

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development
FROM: Kenny Pittman, Research Analyst (786-7392)
RE: HB 1173 - Creating the Washington state economic development board.

BACKGROUND:

In 1985, the Legislature created the Washington State Economic Development Board (Board) to create a long-term economic development strategy for the state. The Board released a report on the need for a long-term economic development strategy and made specific recommendations. The Board issued its initial report in 1987 and a final report in 1989. Since that time, the Board has disbanded and there has not been a state wide, comprehensive and coordinated strategy to guide the state's economic development efforts.

SUMMARY:

The Washington State Economic Development Board (Board) is created. The Board is responsible for the development of a long-term state economic development strategy.

The Board consists of 27-members with representation from both public and private sector organizations and businesses that support economic expansion and job creation that includes members from the Legislature, manufacturing and high-technology interests, labor, agricultural interests, educational institutions; minority and women-owned businesses, tourism industry, and local economic development organizations. The ex officio members include the Directors of the Department of Community, Trade, and Economic Development; Department of Revenue; and the Office of Financial Management. The members of the Board serve for four-year terms. The Governor is the chair

of the Board and must designate the vice-chair. The Board may create subcommittees to address specific issues and concerns. The Board members will be reimbursed for travel expenses.

The Board is required to: (a) Development of a long-term economic development plan to be submitted to the Governor and Legislature by January 1, 1999, with annual revisions every January 1 thereafter; and (b) Submit a report to the Governor and Legislature, by January 1, 1998, on methods to increase the effectiveness and coordination of existing economic development programs and incentives and methods to facilitate economic activity in distressed areas of the state.

The Board, in developing the long-term economic development strategy, may: (a) Secure and encourage private sector, nonprofit and community support in their analysis of economic development opportunities; (b) Identify and analyze key targeted businesses and industries to determine their potential of expansion and diversification; (c) propose an appropriate state role in areas that include, but are not limited to industrial marketing, technology transfer, workforce training, and research and development; (d) Evaluate the performance of existing state economic development programs and incentives; (e) Propose methods to increase public and private partnerships to foster economic development efforts; (f) Study the key components of the state's business climate related to the long-term development strategy; (g) Make specific recommendations for the establishment of public-private cooperative efforts in economic development; and (h) Accept gifts and grants to further the purposes of the Board.

The Board may employ staff as needed, or may contract for services, in order to carry out its duties. The Office of the Governor and the Legislature may provide additional staff support and facilities to assist the Board in its duties.

Appropriation: \$250,000 for the general fund to the Office of the Governor.

Fiscal Note: Requested January 20, 1997.

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