

HOUSE BILL REPORT

HB 2029

As Reported By House Committee On:
Economic Development, Housing & Trade

Title: An act relating to the creation of a state plan for economic development.

Brief Description: Creating a state plan for economic development.

Sponsors: Representatives Miloscia, Dunn, Kastama and Conway.

Brief History:

Committee Activity:

Economic Development, Housing & Trade: 2/23/99, 2/26/99 [DP].

Brief Summary of Bill

- Requires the Department of Community, Trade, and Economic Development to create and maintain a state economic development plan by September 15, 2000.
- Requires that the plan be based on a study and review of economic development issues and current state and local policies that affect economic development.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING & TRADE

Majority Report: Do pass. Signed by 12 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Dunn, Republican Vice Chair; Eickmeyer, Democratic Vice Chair; Ballasiotes; Gombosky; Miloscia; Morris; Radcliff; Skinner; D. Sommers and Wolfe.

Staff: Jean Ann Quinn (786-7310).

Background:

State and local government agencies, as well as private sector businesses, pursue a variety of economic development activities independent of each other. For example, the Department of Community, Trade, and Economic Development and the

Department of Agriculture each have programs to promote the export of Washington products. Since 1989, when the Washington State Economic Development Board (since disbanded) issued its final report on recommendations for a long-term economic development strategy, there has not been a statewide, comprehensive, and coordinated plan to guide and maximize the state's economic development efforts.

Summary of Bill:

The Department of Community, Trade, and Economic Development is required to create and maintain an economic development plan for the state of Washington.

The economic development plan must be based on a review of current state and local policies that promote or affect economic development, and a study of overall economic development issues, such as work force training, industrial modernization, technology diffusion, sustainable development, export assistance, tourism, investment, and entrepreneurial development.

In developing the plan, the department is authorized to analyze the economic development policies of other states and countries, the economic trends within the state and with the state's regional and international trading partners; and the impact of various business and industrial sectors on Washington's economy. The department is also encouraged to consult with the private sector and the academic community in preparing the plan.

The plan is to be delivered to the Legislature by September 15, 2000, and updated every two years. The plan must include proposals for the legislation and/or administrative actions necessary for its implementation.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: There is currently no statewide coordination of economic development activities. It is entirely appropriate for state government to be developing goals with respect to economic development and strategic plans for reaching those goals. There are many in the private sector who would like to see a more coherent approach to economic development.

The state needs to have articulated strategies linking workforce training and economic development. The Workforce Training and Education Coordinating Board is required

by statute to develop a state comprehensive plan for workforce training and education. It is important that the bill be amended to make sure that this work is not being duplicated and that the economic development plan is coordinated with the work of the board. It is also important to include business recruitment and retention as an economic development activity, clarify that consultation with the private sector includes business and labor, and make clear that economic development activities are designed to expand family wage employment, not simply employment.

Testimony Against: None.

Testified: Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board; Trent House, TRIDEC; Randy Loomens, Washington State Labor Council; and Pat Jones, Washington Ports Association.