

2SSB 5092 - H COMM AMD

By Committee on Appropriations

NOT ADOPTED 04/09/2007

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that economic  
4 development success requires coordinated state and local efforts. The  
5 legislature further finds that economic development happens at the  
6 local level. County-designated associate development organizations  
7 serve as a networking tool and resource hub for business retention,  
8 expansion, and relocation in Washington. Economic development success  
9 requires an adequately funded and coordinated state effort and an  
10 adequately funded and coordinated local effort. The legislature  
11 intends to bolster the partnership between state and local economic  
12 development efforts, provide increased funding for local economic  
13 development services, and increase local economic development service  
14 effectiveness, efficiency, and outcomes.

15 **Sec. 2.** RCW 43.330.080 and 1997 c 60 s 1 are each amended to read  
16 as follows:

17 ((+1)) The department shall contract with county-designated  
18 associate development organizations ((~~or other local organizations~~)) to  
19 increase the support for and coordination of community and economic  
20 development services in communities or regional areas. The  
21 organizations contracted with in each community or regional area shall  
22 be broadly representative of community and economic interests. The  
23 organization shall be capable of identifying key economic and community  
24 development problems, developing appropriate solutions, and mobilizing  
25 broad support for recommended initiatives. The contracting  
26 organization shall work with and include local governments, local  
27 chambers of commerce, ((~~private industry~~)) workforce development  
28 councils, port districts, labor groups, institutions of higher  
29 education, community action programs, and other appropriate private,

1 public, or nonprofit community and economic development groups. The  
2 (~~department shall be responsible for determining the~~) scope of  
3 services delivered under these contracts(~~-~~

4 ~~(2) Associate development organizations or other local development~~  
5 ~~organizations contracted with shall promote and coordinate, through~~  
6 ~~local service agreements with local governments, small business~~  
7 ~~development centers, port districts, community and technical colleges,~~  
8 ~~private industry councils, and other development organizations, for the~~  
9 ~~efficient delivery of community and economic development services in~~  
10 ~~their areas.~~

11 ~~(3) The department shall consult with associate development~~  
12 ~~organizations, port districts, local governments, and other local~~  
13 ~~development organizations in the establishment of service delivery~~  
14 ~~regions throughout the state. The legislature encourages local~~  
15 ~~associate development organizations to form partnerships with other~~  
16 ~~associate development organizations in their region to combine~~  
17 ~~resources for better access to available services, to encourage~~  
18 ~~regional delivery of state services, and to build the local capacity of~~  
19 ~~communities in the region more effectively.~~

20 ~~(4) The department shall contract on a regional basis for surveys~~  
21 ~~of key sectors of the regional economy and the coordination of~~  
22 ~~technical assistance to businesses and employees within the key~~  
23 ~~sectors. The department's selection of contracting organizations or~~  
24 ~~consortiums shall be based on the sufficiency of the organization's or~~  
25 ~~consortium's proposal to examine key sectors of the local economy~~  
26 ~~within its region adequately and its ability to coordinate the delivery~~  
27 ~~of services required by businesses within the targeted sectors.~~  
28 ~~Organizations contracting with the department shall work closely with~~  
29 ~~the department to examine the local economy and to develop strategies~~  
30 ~~to focus on developing key sectors that show potential for long term~~  
31 ~~sustainable growth. The contracting organization shall survey~~  
32 ~~businesses and employees in targeted sectors on a periodic basis to~~  
33 ~~gather information on the sector's business needs, expansion plans,~~  
34 ~~relocation decisions, training needs, potential layoffs, financing~~  
35 ~~needs, availability of financing, and other appropriate information~~  
36 ~~about economic trends and specific employer and employee needs in the~~  
37 ~~region.~~

38 ~~(5))~~ shall include two broad areas of work:

1 (1) Direct assistance, including business planning, to companies  
2 who need support to stay in business, expand, or relocate to Washington  
3 from out of state or other countries. Assistance includes:

4 (a) Partnering with workforce development organizations, port  
5 districts, community colleges and higher education institutions, small  
6 business assistance programs, and other federal, state, and local  
7 programs to facilitate the alignment of planning efforts and the  
8 seamless delivery of business support services in the county;

9 (b) Providing information on state and local permitting processes,  
10 tax issues, and other essential information for operating and expanding  
11 a business in Washington;

12 (c) Marketing Washington as an excellent location to expand or  
13 relocate a business and positioning Washington as a globally  
14 competitive place to grow business;

15 (d) Working with businesses on site location and selection  
16 assistance; and

17 (e) Providing business retention and expansion services, including  
18 business outreach and monitoring efforts to identify and address  
19 challenges and opportunities faced by businesses; and

20 (2) Support for regional economic research and regional planning  
21 efforts to implement target industry strategies and other economic  
22 development strategies that support increased living standards  
23 throughout Washington. Activities include:

24 (a) Participation in regional planning efforts involving combined  
25 strategies around workforce development and economic development  
26 policies and programs. The contracting organization shall participate  
27 with the work force training and education coordinating board as  
28 created in chapter 28C.18 RCW, and any regional entities designated by  
29 that board, in providing for the coordination of job skills training  
30 within its region;

31 (b) Collecting and reporting local and regional economic  
32 information to inform local, regional, and statewide strategic  
33 decisions regarding business development policy and economic  
34 development aspects of growth management act planning. In cooperation  
35 with other local, regional, and state planning efforts, contracting  
36 organizations may provide insight into the needs of target industry  
37 clusters, business expansion plans, early detection of potential

1 relocations or layoffs, training needs, and other appropriate economic  
2 information;

3 (c) In conjunction with other governmental jurisdictions and  
4 institutions, participate in the development of a countywide economic  
5 development plan, consistent with the state comprehensive plan for  
6 economic development developed by the Washington state economic  
7 development commission.

8 NEW SECTION. Sec. 3. (1) Contracting associate development  
9 organizations shall provide the department with measures of their  
10 performance. Annual reports shall include information on the impact of  
11 the contracting organization on employment, wages, tax revenue, and  
12 capital investment. Specific measures shall be developed in the  
13 contracting process between the department and the contracting  
14 organization every two years. Performance measures should be  
15 consistent across regions to allow for statewide evaluation.

16 (2)(a) The department and contracting organizations shall agree  
17 upon specific target levels for the performance measures in subsection  
18 (1) of this section. Comparison of agreed thresholds and actual  
19 performance shall occur annually.

20 (b) Contracting organizations that fail to achieve the agreed  
21 performance targets in more than one-half of the agreed measures shall  
22 develop remediation plans to address performance gaps. The remediation  
23 plans shall include revised performance thresholds specifically chosen  
24 to provide evidence of progress in making the identified service  
25 changes.

26 (c) Contracts and state funding shall be terminated for one year  
27 for organizations that fail to achieve the agreed upon progress toward  
28 improved performance defined under (b) of this subsection. During the  
29 year in which termination for nonperformance is in effect,  
30 organizations shall review alternative delivery strategies to include  
31 reorganization of the contracting organization, merging of previous  
32 efforts with existing regional partners, and other specific steps  
33 toward improved performance. At the end of the period of termination,  
34 the department may contract with the associate development organization  
35 or its successor as it deems appropriate.

36 (3) The department shall report to the legislature and the

1 Washington economic development commission by December 31st of each  
2 year on the performance results of the contracts with associate  
3 development organizations.

4 NEW SECTION. **Sec. 4.** Up to five associate development  
5 organizations per year contracting with the department under this act  
6 that apply for the Washington state quality award or its equivalent  
7 shall receive reimbursement for the award application fee, but may not  
8 be reimbursed more than once every three years.

9 NEW SECTION. **Sec. 5.** To the extent that funds are specifically  
10 appropriated therefor, contracts with associate development  
11 organizations for the provision of services under RCW 43.330.080(1)  
12 shall be awarded according to the following annual schedule:

13 (1) For associate development associations serving urban counties,  
14 which are counties other than rural counties as defined in RCW  
15 43.160.020, a locally matched allocation of up to ninety cents per  
16 capita, totaling no more than three hundred thousand dollars per  
17 organization; and

18 (2) For associate development associations in rural counties, as  
19 defined in RCW 43.160.020, a per county base allocation of up to forty  
20 thousand dollars and a locally matched allocation of up to ninety cents  
21 per capita.

22 NEW SECTION. **Sec. 6.** Sections 3 through 5 of this act are each  
23 added to chapter 43.330 RCW.

24 NEW SECTION. **Sec. 7.** If specific funding for the purposes of this  
25 act, referencing this act by bill or chapter number, is not provided by  
26 June 30, 2007, in the omnibus appropriations act, this act is null and  
27 void."

28 Correct the title.

EFFECT: (1) Eliminates some of the specific requirements of the

associate development organizations (ADOs) in favor of a more general framework of requirements.

(2) Removes the direction that ADOs must participate with the State Board for Community and Technical Colleges and any community or technical college designated by the SBCTC to provide coordination of the Job Skills Training program within its region.

(3) Eliminates \$10,000 award for any ADO applying for the Washington State Quality Award. Provides for the reimbursement of the application fee for up to 5 ADOs per year that apply for the Washington State Quality Award.

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