

SENATE BILL REPORT

SB 5642

As Reported By Senate Committee On:
International Trade & Economic Development, February 17, 2005

Title: An act relating to business and job retention and expansion.

Brief Description: Establishing the business and job retention and expansion program.

Sponsors: Senators Eide, Haugen, Shin, Keiser, Rasmussen, McAuliffe and Kohl-Welles.

Brief History:

Committee Activity: International Trade & Economic Development: 2/10/05, 2/17/05
[DPS-WM, DNP].

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5642 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Sheldon, Vice Chair; Doumit and Eide.

Minority Report: Do not pass.

Signed by Senator Pflug, Ranking Minority Member.

Staff: Jack Brummel (786-7428)

Background: Business failure and job loss increase the social costs borne by the state. Gathering information and providing technical assistance and training at the local level has proven successful in retaining businesses and jobs. The Department of Community, Trade, and Economic Development (CTED) has provided some assistance to local areas for business and job retention and expansion services, but it has not had statutory guidance in this effort.

Summary of Substitute Bill: The Business and Job Retention and Expansion Program is created in the Department of Community, Trade and Economic Development. Under the program, The Director designates service delivery regions and selects local programs that: (1) survey local communities on business training and financing needs, expansion and relocation plans, and other economic information; (2) deliver retention and expansion services including skills training, production process and product development assistance, marketing services, and financial and other management services; and (3) show cross-jurisdictional collaboration and inclusion of a cross-section of the community. The CTED Director must also develop a model survey and propose criteria for receipt of services offered by the regional programs, train regional program coordinators on operation of the programs, and provide or coordinate technical and managerial assistance.

CTED is to compile data and analyze trends in the state's industries and work forces and make its analyses available to businesses, labor organization, local governments, and other relevant organizations or programs.

The Commissioner of the Department of Employment Security is to track plant closings and supply the information to the Director of CTED to assist in the prioritization of services.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: From the general fund: \$600,000 for FY ending June 30, 2006; and \$600,000 for FY ending June 30, 2007.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: The top priority for economic development is business retention. The key is communication between the state and the local level.

Testimony Against: None.

Who Testified: PRO: Ron Newbry, WA Economic Development Association and WA Manufacturing Network.