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SENATE BILL 5759

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Braun, Chase, Shin, Smith, Schlicher, Holmquist Newbry, and Brown

Read first time 02/13/13. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to data collection and operational cost funding for  
2 the Washington state economic development commission; amending RCW  
3 43.330.250; and adding a new section to chapter 43.162 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.330.250 and 2011 1st sp.s. c 50 s 956 are each  
6 amended to read as follows:

7 (1) The economic development strategic reserve account is created  
8 in the state treasury to be used only for the purposes of this section.

9 (2) A minimum of five hundred thousand dollars from the account  
10 must be extended annually to cover the operational costs of the  
11 Washington state economic development commission. Of the remaining  
12 funds, only the governor, with the recommendation of the director of  
13 the department of commerce and the economic development commission, may  
14 authorize expenditures from the account.

15 (3) ~~((Expenditures from the account shall be made in an amount~~  
16 ~~sufficient to fund a minimum of one staff position for the economic~~  
17 ~~development commission and to cover any other operational costs of the~~  
18 ~~commission.~~

1       ~~(4) During the 2009-2011 and 2011-2013 fiscal biennia, moneys in~~  
2 ~~the account may also be transferred into the state general fund.~~

3       (5)) Expenditures from the account may be made to prevent closure  
4 of a business or facility, to prevent relocation of a business or  
5 facility in the state to a location outside the state, or to recruit a  
6 business or facility to the state. Expenditures may be authorized for:

7       (a) Workforce development;

8       (b) Public infrastructure needed to support or sustain the  
9 operations of the business or facility; and

10       (c) Other lawfully provided assistance((7)) including, but not  
11 limited to, technical assistance, environmental analysis, relocation  
12 assistance, and planning assistance. Funding may be provided for such  
13 assistance only when it is in the public interest and may only be  
14 provided under a contractual arrangement ensuring that the state will  
15 receive appropriate consideration, such as an assurance of job creation  
16 or retention. Any contract with a private firm must specify that funds  
17 received must be returned to the state if the terms of the contract are  
18 not met.

19       ((+6)) (4) The funds ((shall)) may not be expended from the  
20 account unless:

21       (a) The circumstances are such that time does not permit the  
22 director of the department of commerce or the business or facility to  
23 secure funding from other state sources;

24       (b) The business or facility produces or will produce significant  
25 long-term economic benefits to the state, a region of the state, or a  
26 particular community in the state;

27       (c) The business or facility does not require continuing state  
28 support;

29       (d) The expenditure will result in new jobs, job retention, or  
30 higher incomes for citizens of the state;

31       (e) The expenditure will not supplant private investment; and

32       (f) The expenditure is accompanied by private investment.

33       ((+7)) (5) No more than three million dollars per year may be  
34 expended from the account for the purpose of assisting an individual  
35 business or facility pursuant to the authority specified in this  
36 section.

37       ((+8)) (6) If the account balance in the economic development

1 strategic reserve account exceeds fifteen million dollars at any time,  
2 the amount in excess of fifteen million dollars (~~shall~~) must be  
3 transferred to the education construction account.

4 NEW SECTION. Sec. 2. A new section is added to chapter 43.162 RCW  
5 to read as follows:

6 (1)(a) Every agency operating a program identified by the  
7 commission as a state-funded program providing significant economic  
8 development services must develop a data collection plan for the  
9 program that includes, but need not be limited to:

10 (i) A logic model to be used for evaluation, explicating how  
11 resources are deployed to achieve an economic development outcome;

12 (ii) A process for collection of data and other evidence; and

13 (iii) An explanation of how the data is validated and standardized.

14 (b) For the purposes of this subsection, "logic model" means an  
15 articulation of the logical relationships between the resources,  
16 activities, outputs, and outcomes of a program.

17 (2) The plan must be submitted to the commission for approval by  
18 September 1, 2013. The agencies submitting the data collection plan  
19 must articulate the time it takes to arrive at an economic development  
20 outcome and demonstrate how the agency will work with the employment  
21 security department, the department of revenue, the department of labor  
22 and industries, as appropriate, to match their data with administrative  
23 third-party data to ensure a high level of validity. The commission  
24 must approve the plans by December 31, 2013.

25 (3) Beginning January 1, 2014, the agencies must begin collecting  
26 data consistent with their approved plan. Agencies must, at a minimum,  
27 collect and display data in spread sheet form. Agencies must make the  
28 data available to the commission by July 1st and January 1st of each  
29 year.

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