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1993 Regular Session

By Representatives Wineberry, Quall, Sheldon, Shin, Conway, Springer, Morris, Valle, Campbell, Patterson, Veloria, Roland, Lemmon, Rayburn, Karahalios, Pruitt and J. Kohl

Read first time 02/19/93. Referred to Committee on Trade, Economic Development & Housing.

1 AN ACT Relating to economic diversification; amending RCW
2 43.63A.450; adding a new section to chapter 43.41 RCW; adding a new
3 section to chapter 43.31 RCW; creating a new section; and making
4 appropriations.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that state-supported
7 economic development efforts, including work force training, technology
8 transfer, and industrial modernization, can make a significant
9 difference in the health and diversification of the state's economy.
10 There are numerous federal and private economic development grant
11 programs and research projects designed to increase the competitiveness
12 of American firms and local work forces, for which state agencies and
13 local consortiums are eligible to apply. The legislature further
14 finds that state agencies in Washington have not maximized the
15 opportunities available to them to facilitate the receipt of federal
16 and private funds by Washington firms, nor have they maximized the
17 opportunities available to receive federal funds directly to augment
18 state economic development efforts.

1 The legislature declares that it is the state's policy to maximize
2 the use of federal and private funds for economic development purposes
3 and to devote state resources to leverage federal and private dollars
4 to supplement state economic development efforts, such as economic
5 diversification. In furtherance of this policy, it is the purpose of
6 section 2 of this act to authorize and fund a technical assistance and
7 grant writing program within the office of financial management.

8 The legislature also declares that economic diversification, the
9 process of making communities less reliant on one industry for their
10 economic viability, can only be successful when federal and state
11 resources are maximized and public-private partnerships are
12 established. The community diversification program, created in 1990
13 and now a national model, likely cannot accomplish its purpose unless:
14 Communities have access to resources such as the grant assistance
15 program created in section 2 of this act; program funding cuts are
16 restored and program funding is increased; and a targeted
17 diversification fund is established to make local grants through the
18 community diversification program. The purpose of this act is to: (1)
19 Establish a grant assistance program to help local communities,
20 especially those seeking to diversify, to build capacity locally for
21 economic development; (2) increase the funding for the community
22 diversification program; and (3) establish a diversification grant
23 fund.

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW
25 to read as follows:

26 The economic development grants program is created in the office of
27 financial management. The program shall be operated by a managing
28 director with the support of at least one grant writer either on
29 contract or on staff. The managing director shall:

30 (1) Regularly review the federal register for opportunities to
31 apply for grants, research projects, and demonstration projects;

32 (2) Stay abreast of grant opportunities with private foundations;

33 (3) Correspond and meet with federal officials, including those in
34 the small business administration, the department of labor, the
35 department of commerce, and the department of health and human
36 services, as well as foundation officials, on the prospects for
37 obtaining federal and private funds for economic development purposes
38 in Washington state;

1 (4) Work with the agency heads and division directors of the
2 departments of trade and economic development, the employment security
3 department, the department of agriculture, the department of community
4 development, the Washington technology center, and other state agencies
5 as appropriate, to apprise them of the opportunities for federal and
6 private grant dollars for economic development projects;

7 (5) Work with business, labor, and community groups to apprise them
8 of the opportunities for federal and private grant dollars for economic
9 development projects via publications, electronic bulletin boards, or
10 toll-free phone lines;

11 (6) Assist state agencies in their grant-seeking efforts for
12 economic development projects. Grant writing for and assistance in
13 grant writing for projects sponsored or cosponsored by state agencies
14 shall be the highest priority of the program's work;

15 (7) Assist local business, labor, and community consortiums in
16 their grant-seeking efforts for economic development projects.

17 (8) Facilitate coordination and linkages between agencies and
18 between local consortiums and state agencies that will increase the
19 likelihood of success in grant seeking; and

20 (8) Garner the political support necessary from federal and state
21 elected and appointed officials for success in grant seeking.

22 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.31 RCW
23 to read as follows:

24 The department shall ensure that the business assistance center,
25 the small business development centers, and the associate development
26 organizations that operate under the authority of the department notify
27 their constituencies and clients of the availability of the technical
28 assistance services of the economic development grants program created
29 in section 2 of this act.

30 **Sec. 4.** RCW 43.63A.450 and 1990 c 278 s 2 are each amended to read
31 as follows:

32 The community diversification program is created in the department
33 of community development. The program shall include:

34 (1) The monitoring and forecasting of shifts in the economic
35 prospects of major defense employers in the state. This shall include
36 but not be limited to the monitoring of defense contract expenditures,

1 other federal contracts, defense employment shifts, the aircraft and
2 aerospace industry, computer products, and electronics;

3 (2) The identification of cities, counties, or regions within the
4 state that are primarily dependent on defense or other federal
5 contracting and the identification of firms dependent on federal
6 defense contracts;

7 (3) Assistance to communities in broadening the local economic base
8 through the provision of management assistance, assistance in
9 financing, entrepreneurial training, and assistance to businesses in
10 using off-the-shelf technology to start new production processes or
11 introduce new products;

12 (4) Formulating a state plan for diversification in defense
13 dependent communities in collaboration with the employment security
14 department, the department of trade and economic development, and the
15 office of financial management. The plan shall use the information
16 made available through carrying out subsections (1) and (2) of this
17 section; (~~and~~)

18 (5) The identification of diversification efforts conducted by
19 other states, the federal government, and other nations, and the
20 provision of information on these efforts, as well as information
21 gained through carrying out subsections (1) and (2) of this section, to
22 firms, communities, and (~~workforces~~) work forces that are defense
23 dependent; and

24 (6) Establishing and administering a grant program to local
25 governments for diversification efforts.

26 The department shall, beginning January 1, 1992, report annually to
27 the governor and the legislature on the activities of the community
28 diversification program.

29 NEW SECTION. **Sec. 5.** (1) Eight hundred thousand dollars is
30 appropriated for the biennium ending June 30, 1995, to the department
31 of community development from the general fund for the community
32 diversification program under RCW 43.63A.450; of this amount, four
33 hundred thousand dollars shall be used for grants under RCW
34 43.63A.450(6).

1 (2) Two hundred thousand dollars is appropriated for the biennium
2 ending June 30, 1995, to the office of financial management from the
3 general fund for purposes of section 2 of this act.

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