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**SUBSTITUTE SENATE BILL 6105**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** Senate Committee on Trade, Technology & Economic Development  
(originally sponsored by Senators Skratek, Bluechel, Sheldon and M.  
Rasmussen)

Read first time 02/04/94.

1 AN ACT Relating to high performance work organizations; amending  
2 RCW 43.330.050, 43.330.060, and 43.330.080; adding new sections to  
3 chapter 43.330 RCW; creating a new section; and providing an effective  
4 date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the future of our  
7 state's economy and well-being is firmly linked to the world  
8 marketplace. In today's global economy, only those firms that can  
9 deliver high-quality goods and services, provide customers with greater  
10 product variety and customization, introduce new products more  
11 frequently, and create production systems that are more complex than  
12 those that can be operated by unskilled workers will succeed.

13 The legislature further finds that Washington businesses with well-  
14 trained, motivated workers and a work environment that is organized to  
15 take advantage of the employees' skills are essential to be competitive  
16 in the global economy. These firms have replaced inflexible  
17 traditional work organizations with high-performance work organizations  
18 characterized by: An emphasis on customer service and quality;  
19 flexibly structured manufacturing or service delivery systems; and

1 highly trained workers who are given responsibility commensurate with  
2 the level of training.

3 The legislature further finds that the same commitment to customer  
4 service and quality shown by private sector firms that have adopted  
5 high-performance work organizations should also be embraced by public  
6 agencies. Adoption of these principles can increase government  
7 efficiency and responsiveness to constituent needs.

8 NEW SECTION. Sec. 2. A new section is added to chapter 43.330 RCW  
9 to read as follows:

10 The department shall establish services and programs that promote  
11 the high-performance work organization model and assist firms in  
12 implementing high-performance practices. The department may undertake  
13 activities including, but not limited to:

- 14 (1) Establishing a clearinghouse of quality-related information;
- 15 (2) Maintaining a resource directory, including firms employing  
16 high-performance practices;
- 17 (3) Developing a quality starter kit that provides firms with  
18 information on how to begin performance improvement programs;
- 19 (4) Facilitating the establishment of quality networks and  
20 mentorship programs;
- 21 (5) Giving priority consideration for its assistance programs to  
22 firms that implement high-performance practices;
- 23 (6) Sponsoring quality improvement events; and
- 24 (7) Developing, in consultation with the state board for community  
25 and technical colleges, a standard curriculum on total quality for use  
26 by the state's community and technical colleges.

27 NEW SECTION. Sec. 3. A new section is added to chapter 43.330 RCW  
28 to read as follows:

29 (1) The director shall take action as necessary to structure the  
30 department itself as a public sector model of a high-performance work  
31 organization. The department shall institute policies that: Make  
32 improving customer service and quality control the priority of each  
33 agency employee; reduce administrative layer within the department;  
34 extend decision-making authority; and increase employee involvement in  
35 workplace decisions.

1 (2) The department shall implement management practices that are  
2 most likely to result in improved agency performance. These practices  
3 may include, but are not limited to:

- 4 (a) Total quality management;
- 5 (b) Continuous improvement programs;
- 6 (c) Benchmarking;
- 7 (d) Constituent satisfaction programs; and
- 8 (e) Increased training of agency employees.

9 (3) The department shall periodically review the impact of these  
10 practices on the performance of the department and implement additional  
11 management practices as it deems appropriate.

12 **Sec. 4.** RCW 43.330.050 and 1993 c 280 s 7 are each amended to read  
13 as follows:

14 The department shall be responsible for promoting community and  
15 economic development within the state by assisting the state's  
16 communities to increase the quality of life of their citizens and their  
17 economic vitality, and by assisting the state's businesses to maintain  
18 and increase their economic competitiveness, while maintaining a  
19 healthy environment. Community and economic development efforts shall  
20 include: Efforts to increase economic opportunity; local planning to  
21 manage growth; the promotion and provision of affordable housing and  
22 housing-related services; providing public infrastructure; business and  
23 trade development; assisting firms and industrial sectors to increase  
24 their competitiveness and the skills of their work force, and to  
25 implement high-performance practices; fostering the development of  
26 minority and women-owned businesses; facilitating technology  
27 development, transfer, and diffusion; community services and advocacy  
28 for low-income persons; and public safety efforts. The department  
29 shall have the following general functions and responsibilities:

30 (1) Provide advisory assistance to the governor, other state  
31 agencies, and the legislature on community and economic development  
32 matters and issues;

33 (2) Assist the governor in coordinating the activities of state  
34 agencies that have an impact on local government and communities;

35 (3) Cooperate with the legislature and the governor in the  
36 development and implementation of strategic plans for the state's  
37 community and economic development efforts;

1 (4) Solicit private and federal grants for economic and community  
2 development programs and administer such programs in conjunction with  
3 other programs assigned to the department by the governor or the  
4 legislature;

5 (5) Cooperate with and provide technical and financial assistance  
6 to local governments, businesses, and community-based organizations  
7 serving the communities of the state for the purpose of aiding and  
8 encouraging orderly, productive, and coordinated development of the  
9 state, and, unless stipulated otherwise, give additional consideration  
10 to local communities and individuals with the greatest relative need  
11 and the fewest resources;

12 (6) Participate with other states or subdivisions thereof in  
13 interstate programs and assist cities, counties, municipal  
14 corporations, governmental conferences or councils, and regional  
15 planning commissions to participate with other states and provinces or  
16 their subdivisions;

17 (7) Hold public hearings and meetings to carry out the purposes of  
18 this chapter;

19 (8) Conduct research and analysis in furtherance of the state's  
20 economic and community development efforts including maintenance of  
21 current information on market, demographic, and economic trends as they  
22 affect different industrial sectors, geographic regions, and  
23 communities with special economic and social problems in the state;

24 ((and))

25 (9) Develop a schedule of fees for services where appropriate; and

26 (10) Be a model itself within state government of a high-  
27 performance work organization.

28 **Sec. 5.** RCW 43.330.060 and 1993 c 280 s 9 are each amended to read  
29 as follows:

30 (1) The department shall assist in expanding the state's role as an  
31 international center of trade, culture, and finance. The department  
32 shall promote and market the state's products and services  
33 internationally in close cooperation with other private and public  
34 international trade efforts and act as a centralized location for the  
35 assimilation and distribution of trade information.

36 (2) The department shall identify and work with Washington  
37 businesses that can use local, state, and federal assistance to  
38 increase domestic and foreign exports of goods and services.

1 (3) The department shall work generally with small businesses and  
2 other employers to facilitate resolution of siting, regulatory,  
3 expansion, and retention problems. This assistance shall include but  
4 not be limited to assisting in work force training and infrastructure  
5 needs, identifying and locating suitable business sites, and resolving  
6 problems with government licensing and regulatory requirements. The  
7 department shall identify gaps in needed services and develop steps to  
8 address them including private sector support and purchase of these  
9 services.

10 (4) The department shall work to increase the availability of  
11 capital to small businesses by developing new and flexible investment  
12 tools and by assisting in targeting and improving the efficiency of  
13 existing investment mechanisms.

14 (5) The department shall assist women and minority-owned businesses  
15 in overcoming barriers to increased investment and employment and  
16 becoming full participants in Washington's traded sector economy.

17 (6) The department shall promote and assist firms in implementing  
18 high-performance practices that produce higher value goods and services  
19 and employ a high-skill work force.

20 **Sec. 6.** RCW 43.330.080 and 1993 c 280 s 11 are each amended to  
21 read as follows:

22 (1) The department may contract with associate development  
23 organizations or other local organizations to increase the support for  
24 and coordination of community and economic development services in  
25 communities or regional areas. The organizations contracted with in  
26 each community or regional area shall be broadly representative of  
27 community and economic interests. The organization shall be capable of  
28 identifying key economic and community development problems, developing  
29 appropriate solutions, and mobilizing broad support for recommended  
30 initiatives. The contracting organization shall work with and include  
31 local governments, local chambers of commerce, private industry  
32 councils, port districts, labor groups, institutions of higher  
33 education, community action programs, and other appropriate private,  
34 public, or nonprofit community and economic development groups. The  
35 department shall be responsible for determining the scope of services  
36 delivered under these contracts.

37 (2) Associate development organizations or other local development  
38 organizations contracted with shall promote and coordinate, through

1 local service agreements with local governments, small business  
2 development centers, port districts, community and technical colleges,  
3 private industry councils, and other development organizations, for the  
4 efficient delivery of community and economic development services in  
5 their areas.

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

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

34 (5) The contracting organization shall participate with the work  
35 force training and education coordinating board as created in chapter  
36 28C.18 RCW, and any regional entities designated by that board, in  
37 providing for the coordination of job skills training within its  
38 region.

1      NEW SECTION.    **Sec. 7.**    This act shall take effect July 1, 1994.

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