

2SSB 5092 - H COMM AMD

By Committee on Community & Economic Development & Trade

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. Economic development success requires an adequately
7 funded and coordinated state effort and an adequately funded and
8 coordinated local effort. The legislature intends to bolster the
9 partnership between state and local economic development efforts,
10 provide increased funding for local economic development services, and
11 increase local economic development service effectiveness, efficiency,
12 and outcomes.

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

15 ((~~1~~)) The department shall contract with associate development
16 organizations ((~~or other local organizations~~)) to increase the support
17 for and coordination of community and economic development services in
18 communities or regional areas. The organizations contracted with in
19 each community or regional area shall be broadly representative of
20 community and economic interests. The organization shall be capable of
21 identifying key economic and community development problems, developing
22 appropriate solutions, and mobilizing broad support for recommended
23 initiatives. The contracting organization shall work with and include
24 local governments, local chambers of commerce, ((~~private industry~~))
25 workforce development councils, port districts, labor groups,
26 institutions of higher education, community action programs, and other
27 appropriate private, public, or nonprofit community and economic
28 development groups. The ((~~department shall be responsible for~~
29 ~~determining the~~)) scope of services delivered under these contracts((-

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

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

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

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

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

1 (a) Partnering with local governments, workforce development
2 organizations, port districts, export assistance providers, local
3 colleges and universities, the Washington state quality award council,
4 the Washington manufacturing service, and small business development
5 centers to facilitate the alignment of planning efforts and the
6 seamless delivery of business support services in the county;

7 (b) Providing information on state and local permitting processes,
8 tax issues, and other essential information for operating and expanding
9 an existing business or locating a new business in Washington;

10 (c) Marketing the county and the state as an excellent location to
11 expand or locate a business, in coordination with the department's
12 marketing efforts;

13 (d) The development of a countywide economic development plan
14 consistent with the state comprehensive plan for economic development
15 developed by the state economic development commission;

16 (e) Developing and executing regional plans to attract companies
17 from out of state and to increase direct foreign investment;

18 (f) Identifying gaps in the delivery of business start-up
19 assistance and coordinating efforts with local assistance providers to
20 fill the gaps;

21 (g) Responding to inquiries regarding sites available for
22 development, and assisting in site location and selection; and

23 (h) Collecting and maintaining data as specified by the state
24 economic development commission for use in program and system
25 evaluation; and

26 (2) Support for regional economic research and regional planning
27 efforts to implement target industry strategies and other economic
28 development strategies that support increased living standards
29 throughout Washington. Activities include:

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

37 (b) Collecting and reporting local and regional economic
38 information, as specified by the Washington economic development

1 commission, to inform local, regional, and statewide strategic
2 decisions regarding business development policy and economic
3 development aspects of growth management act planning as well as
4 program evaluation. In cooperation with other local, regional, and
5 state planning efforts, contracting organizations may provide insight
6 into the needs of target industry clusters, business expansion plans,
7 early detection of potential relocations or layoffs, training needs,
8 and other appropriate economic information.

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

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

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

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

1 NEW SECTION. **Sec. 4.** Associate development organizations
2 contracting with the department under this act that apply for the
3 Washington state quality award or its equivalent shall receive a ten
4 thousand dollar award but may not receive this award more than once
5 every three years.

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

10 (1) For associate development associations serving urban counties,
11 which are counties other than rural counties as defined in RCW
12 43.160.020, a locally matched allocation of up to ninety cents per
13 capita, totaling no more than three hundred thousand dollars per
14 organization;

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

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

21 NEW SECTION. **Sec. 7.** If specific funding for the purposes of
22 section 4 this act, referencing this act by bill or chapter number, is
23 not provided by June 30, 2007, in the omnibus appropriations act, this
24 act is null and void."

25 Correct the title.

EFFECT: (1) Eliminates some of the specific jobs and duties of an
associate development organization (ADO) in favor of a more general
framework of duties.

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

(3) Removes the requirement that the Washington State Economic Development Commission develop and review specific performance measures.

(4) Adds a null and void clause for section 4.

--- END ---