

2SSB 5092 - H AMD 591

By Representative Kenney

ADOPTED 4/9/2007

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.
5 The legislature further finds that economic development happens at
6 the local level. County-designated associate development
7 organizations serve as a networking tool and resource hub for
8 business retention, expansion, and relocation in Washington.
9 Economic development success requires an adequately funded and
10 coordinated state effort and an adequately funded and coordinated
11 local effort. The legislature intends to bolster the partnership
12 between state and local economic development efforts, provide
13 increased funding for local economic development services, and
14 increase local economic development service effectiveness,
15 efficiency, and outcomes.

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

18 ((~~+~~)) The department shall contract with county-designated
19 associate development organizations ((~~or other local~~
20 ~~organizations~~)) to increase the support for and coordination of
21 community and economic development services in communities or
22 regional areas. The organizations contracted with in each
23 community or regional area shall be broadly representative of
24 community and economic interests. The organization shall be
25 capable of identifying key economic and community development
26 problems, developing appropriate solutions, and mobilizing broad
27 support for recommended initiatives. The contracting organization
28 shall work with and include local governments, local chambers of
29 commerce, (~~private industry~~) workforce development councils, port

1 districts, labor groups, institutions of higher education,
2 community action programs, and other appropriate private, public,
3 or nonprofit community and economic development groups. The
4 (~~department shall be responsible for determining the~~) scope of
5 services delivered under these contracts(~~(-~~

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

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

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

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

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

6 (a) Working with the appropriate partners, including but not
7 limited to, local governments, workforce development organizations,
8 port districts, community colleges and higher education
9 institutions, export assistance providers, the Washington
10 manufacturing services, the Washington state quality award,
11 council, small business assistance programs, and other federal,
12 state, and local programs to facilitate the alignment of planning
13 efforts and the seamless delivery of business support services in
14 the county;

15 (b) Providing information on state and local permitting
16 processes, tax issues, and other essential information for
17 operating, expanding or locating a business in Washington;

18 (c) Marketing Washington and local areas as excellent locations
19 to expand or relocate a business and positioning Washington as a
20 globally competitive place to grow business, which may include
21 developing and executing regional plans to attract companies from
22 out of state;

23 (d) Working with businesses on site location and selection
24 assistance;

25 (e) Providing business retention and expansion services,
26 including business outreach and monitoring efforts to identify and
27 address challenges and opportunities faced by businesses; and

28 (f) Participate in economic development system-wide discussions
29 regarding gaps in business start-up assistance in Washington; and

30 (2) Support for regional economic research and regional
31 planning efforts to implement target industry strategies and other
32 economic development strategies that support increased living
33 standards and increase foreign direct investment throughout
34 Washington. Activities include:

35 (a) Participation in regional planning efforts involving
36 combined strategies around workforce development and economic
37 development policies and programs. The contracting organization
38 shall participate with the (~~work force training and education~~
39 coordinating board as created in chapter 28C.18 RCW, and any

1 ~~regional entities designated by that board,))~~ the state board for
2 community and technical colleges as created in RCW 28B.50.050, and
3 any community and technical colleges in providing for the
4 coordination of job skills training within its region;

5 (b) Collecting and reporting data as specified by the contract
6 with the department for statewide systemic analysis. The
7 department shall consult with the Washington state economic
8 development commission in the establishment of such uniform data as
9 is needed to conduct a statewide systemic analysis of the state's
10 economic development programs and expenditures. In cooperation
11 with other local, regional, and state planning efforts, contracting
12 organizations may provide insight into the needs of target industry
13 clusters, business expansion plans, early detection of potential
14 relocations or layoffs, training needs, and other appropriate
15 economic information;

16 (c) In conjunction with other governmental jurisdictions and
17 institutions, participate in the development of a countywide
18 economic development plan, consistent with the state comprehensive
19 plan for economic development developed by the Washington state
20 economic development commission.

21 NEW SECTION. Sec. 3. (1) Contracting associate development
22 organizations shall provide the department with measures of their
23 performance. Annual reports shall include information on the
24 impact of the contracting organization on employment, wages, tax
25 revenue, and capital investment. Specific measures shall be
26 developed in the contracting process between the department and the
27 contracting organization every two years. Performance measures
28 should be consistent across regions to allow for statewide
29 evaluation.

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

34 (b) Contracting organizations that fail to achieve the agreed
35 performance targets in more than one-half of the agreed measures
36 shall develop remediation plans to address performance gaps. The
37 remediation plans shall include revised performance thresholds

1 specifically chosen to provide evidence of progress in making the
2 identified service changes.

3 (c) Contracts and state funding shall be terminated for one
4 year for organizations that fail to achieve the agreed upon
5 progress toward improved performance defined under (b) of this
6 subsection. During the year in which termination for
7 nonperformance is in effect, organizations shall review alternative
8 delivery strategies to include reorganization of the contracting
9 organization, merging of previous efforts with existing regional
10 partners, and other specific steps toward improved performance. At
11 the end of the period of termination, the department may contract
12 with the associate development organization or its successor as it
13 deems appropriate.

14 (3) The department shall report to the legislature and the
15 Washington economic development commission by December 31st of each
16 year on the performance results of the contracts with associate
17 development organizations.

18 NEW SECTION. **Sec. 4.** Up to five associate development
19 organizations per year contracting with the department under this
20 act that apply for the Washington state quality award or its
21 equivalent shall receive reimbursement for the award application
22 fee, but may not be reimbursed more than once every three years.

23 NEW SECTION. **Sec. 5.** To the extent that funds are
24 specifically appropriated therefor, contracts with associate
25 development organizations for the provision of services under RCW
26 43.330.080(1) shall be awarded according to the following annual
27 schedule:

28 (1) For associate development associations serving urban
29 counties, which are counties other than rural counties as defined
30 in RCW 43.160.020, a locally matched allocation of up to ninety
31 cents per capita, totaling no more than three hundred thousand
32 dollars per organization; and

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

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

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

7 Correct the title.

EFFECT:

(1) Eliminates some of the specific requirements of the associate development organizations (ADOs) in favor of a more general framework of requirements.

(2) Updates the statute to reflect that the State Board for Community and Technical Colleges, not the Workforce Training and Education Coordinating Board, provides the coordination for the Job Skills training program.

(3) Eliminates \$10,000 award for any ADO applying for the Washington State Quality Award. Provides for the reimbursement of the application fee for up to 5 ADOs per year that apply for the Washington State Quality Award.